

CASE 4436
CHEVRON OIL COMPANY EXHIBIT 1

ACTUAL ALLOWABLE AND PRODUCTION FROM CHEVRON-BOGLE
FLATS UNIT NO. 2, INDIAN BASIN-UPPER PENN GAS POOL,
FIRST SIX MONTHS OF 1969

	<u>Allowable</u> (MCF)	<u>Production</u> (MCF)	<u>Monthly</u> <u>Underproduction</u> (MCF)	<u>Cumulative</u> <u>Underproduction</u> (MCF)
Beginning Period				10,542
January	156,815	133,762	23,053	33,595
February	110,576	118,348	7,772-	25,823
March	127,023	142,964	15,941-	9,882
April	95,222	124,979	29,757-	19,875-
May	109,640	91,035	18,605	1,270-
June	108,107	101,205	6,902	5,632
	<u>707,383</u>	<u>712,293</u>	<u>4,913-</u>	

Average monthly allowable during period = $707,383 \text{ MCF} \div 6 \text{ months}$
= 117,897 MCF per month

Average monthly production during last
3 months = $317,219 \text{ MCF} \div 91 \text{ days}$
= 105,974 MCF per month

RESULT: Since average monthly production (or producing ability by El Paso's definition) during last three months was less than average monthly allowable during the period, and since the well was underproduced at the beginning of the period, the well would have been reclassified to marginal if El Paso's proposed rules had been in effect during 1969. The well's cumulative underproduction of 5,632 MCF as of July 1 would have been cancelled, and it would be assigned a marginal allowable of 105,974 MCF per month in future months, and it would not be allowed to accumulate future underproduction. This reclassification would have occurred in spite of the fact that the well is actually capable of producing far more than the allocated non-marginal allowable in any month of the period.

BEFORE EXAMINER NUTTER
U.S. CONSERVATION COMMISSION
<i>Shannon</i> EXHIBIT NO. <u>1</u>
CASE NO. <u>4436</u>

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