

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

7 January 1986

COMMISSION HEARING

IN THE MATTER OF:

Application of the Oil Conservation Commission on its own motion to rescind Order No. R-1670, as amended. and

CASE
8749

Application of Northwest Pipeline Corporation to amend Oil Conservation Division Rule 403, Rule 1100, and Form C-111.

CASE
8792

BEFORE: Richard L. Stamets, Chairman
Ed Kelley, Commissioner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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I N D E X

WARREN O. CURTIS

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MR. STAMETS: The hearing will please come to order.

We'll call first this morning for Case 8749, which was continued from the November 19, 1985, Division hearing.

MR. TAYLOR: The application of the Oil Conservation Commission on its own motion to rescind Order No. R-1670, as amended, to recodify and amend the General Rules and Regulations for the prorated gas pools contained therein and to amend the special gas prorationing rules for the Atoka-Pennsylvanian, Blinebry, Buffalo Valley-Pennsylvanian, Burton Flat-Morrow, Burton Flat-Strawn, South Carlsbad-Morrow, Crosby-Devonian, Eumont, Indian Basin-Morrow, Indian Basin-Upper Pennsylvanian, Jalmat, Justis-Glorieta, Monument McKee-Ellenburger, and Tubb Gas Pools in Lea, Eddy, and Chavez Counties.

MR. STAMETS: Do you have any additional appearances in this case that we did not have in November?

Mr. Cooter?

MR. COOTER: Mr. Stamets, Paul Cooter with the Rodey Law Firm, representing Northwest Pipeline Corporation.

For the purpose of receiving

1 evidence only, I would like to move the consolidation of --
2 call Case, the following case, being Case Number 8792.

3 MR. STAMETS: Yes, Mr. Cooter, I
4 believe that that's an appropriate thing.

5 Would you call Case Number
6 8792?

7 MR. TAYLOR: The application of
8 Northwest Pipeline Corporation to amend Oil Conservation
9 Division Rule 403, Rule 1100, Rule 1111, and Form C-111.

10 MR. STAMETS: Do we have any
11 other appearances in either of these cases today?

12 Mr. Nance.

13 MR. NANCE: Mr. Stamets, on be-
14 half of El Paso Natural Gas Company, my name is John Nance.
15 I'd like to enter my appearance, as well as Mr. H. L. Ken-
16 drick on behalf of El Paso Natural Gas.

17 MR. STAMETS: Are there other
18 appearances?

19 Mr. Chavez.

20 MR. CHAVEZ: Yes. I wish to
21 make an appearance on behalf of the Aztec District Office of
22 the Oil Conservation Division.

23 MR. STAMETS: Any other appear-
24 ances in either of these two cases?

25 Does anyone desire to go ahead

1 of Mr. Cooter today?

2 If not, we'll let Mr. Cooter
3 proceed.

4 Will you have any witnesses who
5 were not sworn in the previous case?

6 MR. COOTER: No, sir, we only
7 have one witness, Mr. Warren Curtis, who was sworn before
8 and testified in the November 19th hearing.

9 I do have at counsel table with
10 me Dell Draper, in-house counsel for Northwest in Salt Lake
11 City.

12 MR. STAMETS: Let the record
13 show that Mr. Curtis has already been sworn and qualified at
14 the previous case and is considered the same in Case 8792.

15 MR. COOTER: Mr. Stamets, I
16 have handed to you and to others a revised Attachment A,
17 which was included with the notice mailed for this hearing
18 today.

19 The changes that have been made
20 were, first, to correct a mistake on the copies that were
21 submitted to you.

22 On the first page, under Rule
23 3(a), in the third line, the word "take" had not been
24 scratched, which should have been, and so in our revised ex-
25 hibit we have just eliminated that one word. It should have

1 marked as Attachment A and explain that to the Commission
2 and briefly go through what you have endeavored to do?

3 A Exhibit A is a listing of the rules in
4 which either "gas transporter" or "gas purchaser" appear
5 wherein Northwest Pipeline felt that there needed to be a
6 clarification of that responsibility.

7 And this exhibit only includes those
8 rules where there is a proposed change. If in fact "gas
9 purchaser" is what Northwest Pipeline feels is correct in
10 the rules no change was made in this session. The rule
11 change does not appear on it, or excuse me, the correct rule
12 does not appear on here.

13 This attachment lists two definitions and
14 several rule changes.

15 The first definition of "gas purchaser"
16 is a new definition to the proration rules, as Northwest
17 Pipeline envisions it, and the definition of "gas purchaser"
18 in essence indicates that purchaser is the purchaser of the
19 largest percentage interest of the gas in that gas well, or
20 GPU.

21 The "gas transporter" definition is a re-
22 write of the old "gas purchaser" definition and wherever
23 "purchaser" appeared in that definition it has been replaced
24 with the words "gas transporter", and defines "gas trans-
25 porter" as the first taker of gas from that gas well.

1 In Rule 3(a), where it gave the respons-
2 ibility to the gas purchaser to nominate the gas, it indi-
3 cated that purchaser would nominate the amount of gas
4 which he in good faith desires to take.

5 Northwest feels that where it is the pur-
6 chaser who has that responsibility, the word "purchase"
7 shoudl replace the word "take" as to more appropriately in-
8 dicate the nomination of the gas purchaser.

9 In Rule 5(b), New Connects Assignment of
10 Allowables, again the word "purchaser" appeared in many
11 places in that rule.

12 The new connects assignment of allowables
13 requires various forms to be submitted by the buying indivi-
14 dual to the Commission.

15 Because it is a connection concern North-
16 west Pipeline feels that that is in fact the transporter who
17 is doing that and wherever "gas purchaser" appears in Rule
18 5(b), it should be changed to "transporter" as is reflected
19 in this rule, so that the transporter would be the one who
20 would file the various forms with the Commission.

21 In Rule 15(a), the C-111 Report has al-
22 ways been defined as the Gas Purchaser's Monthly Report. In
23 actuality, the transporter is the one who files that report.

24 We propose that the report be changed to
25 Gas Transporter and that the transporter continue to file

1 that report.

2 In Rule 15(c) where it speaks not only as
3 to the C-111 but the forms with the State in reporting the
4 days again it refers to the gas purchaser. We propose that
5 that be changed to refer to the gas transporter.

6 And then again in Rule 18, where it
7 requires a gas well delivery notice, again the purchaser is
8 referred to but the transporter has that information
9 initially and we feel that the transporter is the one who
10 should make that filing.

11 That covers the changes associated with
12 the general rules for the prorated gas pools of New Mexico.

13 As was stated previously, due to the fact
14 that some General Rules, General State Rules were to be
15 changed, we have proposed three changes there, also.

16 In Rule 403 where it speaks of the
17 measurement of natural gas from gas wells, again the
18 transporter is the one who performs that measurement and the
19 required "purchaser" was stricken and we have indicated that
20 "transporter" should have that responsibility.

21 In Rule 1100, where it speaks of written
22 notices, Form C-111 was defined as the Gas Purchaser's
23 Monthly Report. Again, as we have discussed in the prora-
24 tion rules, it is in fact the transporter who performs that
25 function. We would propose that Form C-111 be amended to
indicate the Gas Transporter's Monthly Report.

1 And then finally in the Rule 1111, Gas
2 Purchaser's Monthly Report, we recommend that that be chan-
3 ged to the Gas Transporter's Monthly Report, Form C-111, and
4 that the transporter do that, file that report.

5 Q Mr. Curtis, what is the need or desire-
6 ability to -- or the instances it is important to distin-
7 guish between the gas purchaser and the gas transporter?

8 A In many instances in New Mexico the gas
9 transporter and the gas purchaser are not the same entity.
10 It has made a lot more sense for the nearest transporter to
11 connect the well, whether it be the gas purchaser or not.

12 We feel that these rules clarify the re-
13 sponsibilities, these propose changes clarify the duties of
14 both the gas transporter and gas purchaser. That is our
15 main concern is that the gas transporter and gas purchaser
16 responsibilities be clarified.

17 We also feel that there is a concern that
18 a gas purchaser be able to determine the amount of gas that
19 eventually is produced for their account where from time to
20 time the gas transporter has seemed to have more control of
21 that responsibility.

22 Q In those instances where the gas pur-
23 chaser and the gas transporter are one and the same, of
24 course the present rules are satisfactory.

25 A That is correct.

1 Q But where they may differ or be different
2 entities, various field problems, ease of connection or the
3 like, your proposed changes then would aid conservation.

4 A That is correct. We feel that where the
5 gas transporter and the gas purchaser are two different
6 entities or possibly more than two different entities, that
7 this would facilitate the function of these rules and help
8 the Commission administer these rules.

9 MR. COOTER: That concludes the
10 direct presentation.

11

12 CROSS EXAMINATION

13 BY MR. STAMETS:

14 Q Mr. Curtis, if pipelines become open
15 access transporters, and direct sales occur between
16 distributor or consumer, and a producer, who will be the
17 purchaser?

18 A That's a good question. We envision it
19 could happen two ways.

20 First off, as I understand currently
21 under the regulations, if there are two or more entities
22 involved, and those entities decide on one of the entities
23 to be the controller, or for example, you'd file a nomina-
24 tion and decided that amongst three parties that Party A
25 would in fact file the nomination, then the Commission re-

1 quests that a letter be on file with them that indicates who
2 will perform that function and then the nomination is filed
3 accordingly.

4 We could envision one of two things hap-
5 pening in your question.

6 First off, if in fact there is a direct
7 purchase, a direct sale, then in fact we envision that the
8 purchaser of that gas could file that nomination, but con-
9 versely, we also feel that if the purchaser, for various
10 reasons, would prefer to designate a transporter of that gas
11 to file that nomination and take that responsibility, then
12 with an appropriate letter on file with the Commission, we
13 feel that a second entity can assume that responsibility.

14 Q Is that reflected anywhere in these pro-
15 posed rules?

16 A I think it is but I'm not sure. I'd have
17 to take a look and see.

18 Q It appears as though the original pro-
19 posal on Rule 3(a) as to nominations sort of addresses that.
20 It talks about the case of split connections, traded gas, or
21 when the producer gathers his own gas, delivers it to an-
22 other, then the purchasers may mutually agree to authorize
23 one to file the whole nomination.

24 I presume what you would be talking about
25 would be some language along that line which would, perhaps,

1 include when a -- when a transporter is acting as an open
2 access pipeline, that any party who would otherwise be de-
3 signated purchaser may designate the transporter to nominate
4 for its purchases.

5 A You are correct, Mr. Stamets, that is
6 where it was in the rules and as such the language should be
7 added back in there that would indicate that in the event
8 that more than -- that several parties are involved or that
9 one entity wants to designate another entity as the entity
10 holding that responsibility, that may be done by letter on
11 file.

12 Again, we would assume that under most
13 circumstances the gas purchaser would continue to hold that
14 responsibility and we feel that appropriate language was
15 created or within these rules that would indicate an appro-
16 priate letter would suffice.

17 We would recommend that.

18 Q I wonder if we need a little bit more
19 clarification as to the current purchaser? We don't, in
20 this proposed definition it is not indicated what physical
21 actions take place.

22 I know if I'm going out to buy an apple
23 who the purchaser is and the seller is, but I'm wondering if
24 perhaps we don't need a little more extensive definition in
25 this case?

1 A We would be willing to give that a shot
2 and would appreciate your help and any suggestions you have.

3 Q I'm thinking along the lines of some in-
4 dication that there is a sale that takes place at some point
5 and there is an exchange of value with that sale.

6 One of the things I should point out now
7 is that this Case 8792 did miss getting advertised in the
8 Portales paper, problem in the mail, and so it will have to
9 be readvertised and brought up again. There may not need to
10 be any testimony but it will have to brought up again at the
11 Division's hearing which is now scheduled for February the
12 26th, so perhaps we'd have an opportunity to circulate for
13 additional comment, any proposed change of purchaser defini-
14 tion and to clarify the roles of the nominator in Rule 3(a).

15 In the case of open access transporta-
16 tion, how is the Division going to know who the purchasers
17 are?

18 A That's a good question. I'm not quite
19 sure I have an answer for it right now, Mr. Stamets, but I
20 would envision that some type of communication in a direct
21 access sale you would need to be made to the Commission.

22 Q Will transporters know who the purchasers
23 are under direct access?

24 A I would think that they would.

25 Q Would it be possible for the pipelines to

1 -- or transporters to advise the Division of the purchasers
2 by pool?

3 A That -- that very definitely could hap-
4 pen. I would think that we would need to get the purchaser
5 involved somewhere in that notification, also.

6 Q So to complete the loop on all this, per-
7 haps what we need is a rule which would provide that each
8 transporter in a pool shall advise the Division of the name
9 and address of any purchaser purchasing gas from said pool
10 utilizing transporter's facilities. Wordy, but I think it
11 conveys the idea.

12 Mr. Chavez has something he's going to
13 add later in the day that might bring the committee back to
14 take one more look at this thing and perhaps they'd have a
15 chance to address both of these issues, as well.

16 MR. STAMETS: Are there other
17 questions of Mr. Curtis?

18 Mr. Nance.

19

20 CROSS EXAMINATION

21 BY MR. NANCE:

22 Q Mr. Curtis, just one question with re-
23 spect to the definition of gas purchaser where there are
24 more than -- or where there is more than one purchaser, this
25 rule would presume that there is a majority purchaser or at

1 least a purchaser with a larger share than any other one
2 purchaser. Where there is actually a 50/50 split in the
3 purchase of gas from the well, can you address that situa-
4 tion with this rule or what other course do you have?

5 A And, of course, that does exist. What we
6 would recommend is that if in fact it is an even split, that
7 one of two things occur. The cleanest, I feel, would be to
8 have the entity that has a 50 percent interest, if in fact
9 there is an entity that is a transporter also, that that
10 transporter assume that responsibility, and not only the
11 transporter but an even 50 percent interest in that.

12 The alternative to that would be for the
13 two entities involved agree as to who would have the respon-
14 sibility.

15 MR. STAMETS: Are there other
16 questions of Mr. Curtis?

17 He may be excused.

18 Do you have anything further,
19 Mr. Cooter?

20 MR. COOTER: Nothing further,
21 Mr. Stamets.

22 MR. STAMETS: Does anyone else
23 at this point have anything that they wish to say or testify
24 to in either of the two cases before us at this time?

25 MR. KENDRICK: We would like to

1 hear Frank.

2 MR. STAMETS: Okay. Mr. Chavez,
3 I believe you've got some things you would like to express
4 from the Division staff.

5 Why don't you swear Mr. Chavez?

6

7 (Mr. Chavez sworn.)

8

9 MR. CHAVEZ: Mr. Chairman, I am
10 Frank Chavez, District Supervisor of the Aztec Office of the
11 Oil Conservation Division.

12 In this case so far there has
13 been a presentation by the Proration Committee which defines
14 an AD factor in the definitions of proposed proration rules
15 and also proposed a Rule No. 5 under Non-marginal Gas Prora-
16 tion Units for assigning allowables.

17 Very recently it was brought to
18 my attention that the use of the AD factor as defined in the
19 proposed rules, and as used in the past, does not allow for
20 equitable assignments of allowables to proration units which
21 are other, which have an H factor other than one.

22 Exhibit One, which you have be-
23 fore you, on the first page we have found that the sum of
24 the allowables assigned to 160-acre proration units is not
25 the same as the allowable given to a 320-acre proration unit

1 which has the same total deliverability.

2 On that first page I show what
3 the current and proposed formula is for assigning a monthly
4 allowable for a well, which is the acreage factor times the
5 acreage allocation factor for this one, plus the acreage
6 factor times the deliverability times the AD factor, which
7 is F2.

8 What I have done under that is
9 I have shown this equation broken down with two 160-acre
10 proration units and how those allowables -- the sum of those
11 allowables do not equal the allowable assigned to a prora-
12 tion unit which has 320 acres. And that is pretty much
13 self-explanatory.

14 On the second page I have taken
15 examples of allowables allocated to two wells, taken actual
16 wells from the proration schedules.

17 I have taken a John E. Schalk
18 Schalk Gulf No. 2 Well and a Union Texas Petroleum Corpora-
19 tion McCroden A No. 3 Well.

20 They have deliverabilities of
21 90 MCF per day and 111 MCF per day, respectively, in the
22 Blanco Mesaverde Pool.

23 Below that again I restate the
24 allowable calculation formula and I show what the December
25 acreage allocation factor and AD -- I'm sorry the deliver-
ability allocation factor are for the -- for the month of

1 December.

2 In the first equation I calcu-
3 late the allowable for the John E. Schalk Well, which is 50
4 percent, or .5 times the F sub 1 figure, and then I use the
5 acreage factor of .5 and there's an error on the exhibit, if
6 you will put times 90 in that exhibit -- in that equation
7 there, it will come out correct.

8 Times the F sub 2 factor, that
9 gives me a monthly allocation for December for the John E.
10 Schalk Well of 2,654 MCF.

11 Below I've calculated in the
12 same manner the allowable for the Union Texas Well, which
13 turns out to be 2,867 MCF.

14 The sum of those allowables if
15 5,522, if it's rounded out, MCF for the month of December.

16 If these two wells were on the
17 same 320-acre drill tract, or proration unit, the sum of the
18 deliverabilities would be 201 MCF and below that I've calcu-
19 lated what the allowable would be for that 320-acre prora-
20 tion unit, which is 7,559 MCF, which indicates that it can
21 be seen either of two ways: One, that the Schalk and Union
22 Texas Well are not prorated enough gas or that the combina-
23 tion of the allowables, I'm sorry, the deliverabilities in a
24 320-acre proration unit assigns too much gas.

25 I, after working out the mathe-

1 matics, it appears that the present system of adding deliv-
2 erability and using the formula assigns too much allowable
3 to those 320-acre drill tracts.

4 I would make a recommendation
5 to the Commission that at this time they not accept the pre-
6 sent definition of A times D for the AD factor as presented
7 in the proposed proration rules, nor accept the portion of
8 Rule 5 which describes the manner in which AD would be used
9 to calculate an allowable until such time as the Proration
10 Committee would meet again and would come up with a proposal
11 either to include it in the order or to not be included in
12 the order and just be used as the proration formula to cal-
13 culate these allowables.

14 MR. STAMETS: Have you looked
15 at the original proposed rules --

16 MR. CHAVEZ: Yes, I have.

17 MR. STAMETS: -- to see where
18 these changes would have to be made?

19 MR. CHAVEZ: Yes, Mr. Chairman,
20 the changes would have to be made under Rule 1, under the
21 definition of AD factor.

22 MR. STAMETS: For example, in
23 that rule what change would occur?

24 MR. CHAVEZ: Well, if it could
25 not be accepted as it is used now because the AD factor

1 which would be used for a 160-acre drill tract would be in-
2 correct. No, that's not exactly what I mean to say. Excuse
3 me.

4 The AD factor, when used for
5 160-acre drill tracts and then used again for a 320-acre
6 drill tract, does not give the proportionate allowable. The
7 AD is not a correct definition of what needs to be used to
8 calculate an allowable as it is defined.

9 MR. STAMETS: Well, I would
10 gather from your -- what you've said this morning that you
11 really don't feel qualified at this time, having just dis-
12 covered this, to go through and say how to either one of
13 these proposed rules should be corrected.

14 MR. CHAVEZ: That's correct. I
15 recommend that the committees meet once again and specifi-
16 cally for the purpose of reviewing these allocation equa-
17 tions and the definition and the procedure defined in the
18 proposed rules.

19 MR. STAMETS: Do you have any-
20 thing further you wish to say this morning?

21 MR. CHAVEZ: Only I'd like to
22 make a statement concerning the proposal made by Mr. Ken-
23 drick as to proposing percentage allowables.

24 The Aztec Office is opposed to
25 the allowable issuance system proposed by Mr. Kendrick.

1 The prospective allowable under
2 that plan would be misleading to the operators and has lit-
3 tle value to the operator or to the Oil Conservation Divi-
4 sion.

5 The extra burden of putting out
6 two gas proration schedules and attempting to anticipate
7 what the permit final allowables would be two months hence
8 is unnecessary.

9 That concludes my objection.

10 MR. STAMETS: Are there other
11 questions of Mr. Chavez?

12 MR. NANCE: One question and
13 let me make sure I ask it phrased correctly.

14 Mr. Chavez, I may need help
15 still in phrasing this question correctly to get the clari-
16 fication that we're looking for, but do you in fact feel
17 that it is wrong for the deliverabilities of infill wells to
18 be added to deliverability of their original well in the
19 same proration unit, or do you feel that it would be better
20 to -- to recalculate these and consistent with the new
21 method that you're proposing?

22 MR. CHAVEZ: I haven't proposed
23 a new method as of yet, but I, to answer your first ques-
24 tion, yes, adding the deliverability is inappropriate be-
25 cause in the equation, what we do is we add extra acreage

1 factors when we do that.

2 MR. NANCE: We don't have an
3 example here in front of us specifically demonstrates that
4 that's the case but there is at least a potential difference
5 of opinion as to how that would work.

6 MR. CHAVEZ: Yes. I think
7 there would be several mathematical approaches that could be
8 taken to come up with an equitable allowable assignment.

9 One, for example, could be as-
10 signing each well within a 320 an allowable based on an ac-
11 reage factor of .5 and then adding those proration units to
12 be produced from either well in any proportion.

13 That's one alternative and I'm
14 sure there are others. That method would be exactly what I
15 used in my second page of Exhibit One, where I added the al-
16 lowables and recalculated each of these wells on 160's.

17 MR. STAMETS: Is your general
18 conclusion here that the -- that this portion of the rules,
19 if we are somehow to amend them, would need to be readver-
20 tised, if this needs to be taken up, for example, following
21 additional meetings?

22 MR. CHAVEZ: I don't know
23 whether it would need to be readvertised. I think that was
24 covered in the original advertising but I think it should be
25 re-taken up by the Committee, very definitely, because we

1 are creating a situation under this calculation where the
2 operators of these smaller drill tracts are not receiving an
3 allowable equal to what has been defined as a just and
4 equitable share of gas from the pool.

5 MR. NANCE: Would you recommend
6 at all that any sort of retroactive adjustment be made, if
7 there is a change in the formula?

8 MR. CHAVEZ: That would be dif-
9 ficult. I would think the Commission should look at that.

10 It would be difficult adminis-
11 tratively, I know, just from my familiarization with the
12 system, to go back and elect a time to make adjustments.

13 We have the opportunity, how-
14 ever, with a new rule to start, at least to start fresh on a
15 new date, April 1st, of doing it, and that would be appro-
16 priate. And should an operator feel that their rights have
17 been violated and I guess that would come to hearing, but to
18 this date nobody had found this error and we were all -- all
19 the operators were treated just as fairly or unfairly at
20 that time.

21 MR. NANCE: Do you see the
22 example you talked about is a situation where the acreage
23 factor is less than one and a possible penalty that is suf-
24 fered in a situation like that, do you see a corresponding
25 windfall to a well that has an acreage factor greater than

1 one?

2 MR. CHAVEZ: Yes, the same er-
3 ror exists that a well that has an acreage factor greater
4 than one would be receiving under our method more allowable
5 than what the other well would be receiving.

6 MR. NANCE: I don't have any
7 further questions.

8 What we would do at this point
9 is concur with the need to have the matter re-examined by
10 the Committee in the hopes of having the problem identified
11 and a solution proposed prior to the April 1st proration
12 period.

13 MR. STAMETS: Given the amount
14 of time we've got in this hearing today, it may be possible
15 to reconvene the Committee, deal with all of these matters,
16 circulate it to the Division's mailing list to determine
17 whether or not there's going to be any objection and then
18 handle these cases very simply at the February hearing.

19 It seems as though everything
20 we've talked about here today is something that's well with-
21 in the call of the advertisements of these two cases.

22 If no one of the general popu-
23 lace objects, I think we can go ahead based on the evidence
24 we have at this point plus a final committee report.

25 Let's go off the record for a

1 minute.

2

3

(Thereupon a discussion was had
4 off the record.)

5

6

MR. STAMETS: While we were off
7 the record the Chairman of the Committee to study the
8 remaining issues related to amending the gas prorationing
9 rules has been appointed, Mr. H. L. Kendrick of El Paso Nat-
10 ural Gas Company, and we will be continuing these two cases
11 until the February 26th Commission Hearing, and would hope
12 to have a Committee report relatively soon so we can circu-
13 late this to our mailing list before that time.

14

Does anyone have anything else
15 they wish to add at this time in these two cases?

16

If not, the cases will then be
17 continued, and let me say I certainly hope that one more
18 time will do it.

19

MR. KENDRICK: I'm with you.

20

21

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR