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Parties

Attorney

2014 AUG 14 WITNESS II: 20

Chuza Oil Co.
Hart Oil & Gas
High Plains Petroleum

Ernest Padilla
Kirk Kennedy
Ocean Munds-Dry

John B. Somers II

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Statement

When the Basin-Mancos Gas Pool was created, a mistake was made. The Horseshoe-Gallup and Many Rocks-Gallup Fields were included, and those fields are on the Four Corners Platform, not down in the San Juan Basin. Therefore, to correct for that mistake, Townships 30-32 North, Ranges 16-19 West should not be included in the proposed Mancos Oil Pool.

The Horseshoe and Many Rocks Gallup Fields are shallow, and they were found to be under pressured (215 psi in the Horseshoe Field vs. 1625 psi in the Lybrook Field). So, a horizontal well on 320 acre spacing would be unable to efficiently and effectively drain 320 acres. Therefore, development should not be on 320 acres.

Wells in the Horseshoe-Gallup and Verde-Gallup Fields have demonstrated the potential to produce oil at rates in excess of the current allowable and without causing damage to those reservoirs. Therefore, the depth bracket allowable system should be abolished, as Conoco, Encana, Logos and WPX have proposed.

Presentation of the parties case will require approximately 15 to 20 minutes.

Prepared on: August 14, 2014
Prepared by: John B. Somers II
Petroleum Engineer

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