

- (d) EXTEND the Air Strip-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 34: E/2
Section 35: NW/4

- (e) EXTEND the Antelope Ridge-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 11: NE/4

- (f) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 8: SW/4

- (g) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 16: NE/4

- (h) EXTEND the Hardy Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 3: Lots 9, 10, 15 and 16

- (i) EXTEND the Lane-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 35: N/2 and SE/4

- (j) EXTEND the Moore-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

- (k) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4

- (l) EXTEND the Skaggs-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4
Section 11: NE/4

Docket No. 18-88

DOCKET: COMMISSION HEARING - MONDAY - JUNE 13, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASES 7980, 8946, 8950 AND 9111: (Reopened) See Attached Statement of Hearing.

CASE 9412: Application of Mesa Grande, Ltd. for consideration of the horizontal boundaries of the West Puerto Chiquito-Mancos Oil Pool and the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico.

STATEMENT OF HEARING
PROCEDURES FOR CASES 7980, 8946, 8950 and 9111 (RE-OPENED)
and 9412

I. Incorporation of prior relevant hearings before the Commission:

The Commission states that the transcripts and exhibits from the following cases will be incorporated into the hearing record in the subject cases:

- (a) Case 8946 (Order R-7407-D) heard August 7, 8, 21, 22, and 27, 1986;
- (b) Case 8950 (Order R-6469-C) heard August 7, 8, 21, 22, and 27, 1986;
- (c) Case 8946 (Order R-7407-E) heard March 30, 31 and April 1, 2, 3, 1987;
- (d) Case 8950 (Order R-6469-D) heard March 30, 31 and April 1, 2, 3, 1987;
- (e) Case 9111 (Order Pending) heard March 17 and 18, 1988; and
- (f) Case 9412.

II. Geological evidence, witnesses and analysis:

It is stated that:

- (a) Because of the incorporation of the prior records including the geological evidence, presentation of redundant, cumulative or repetitive geologic testimony, exhibits or evidence will not be permitted; and
- (b) Any engineering or geological witness may incorporate and utilize any of the existing geologic exhibit data and interpretation already in the records of the cases set forth in Paragraph I above. New interpretations based upon new geologic and engineering data are permitted.

III. Issues for Hearing:

The Commission states that the following constitute the only issues to be considered by the Commission at the hearing:

1. The current maximum producing allowable for each pool is 800 barrels of oil per day per 640 acres, limited however, by a gas-oil ratio of not more than 600 cubic feet of gas per barrel of oil. The Commission will consider at the hearing the following:
 - (a) Whether the current oil allowable for each pool should be increased or decreased and if so, to what rate and why; and
 - (b) Whether the current gas-oil ratio limitation should be increased or decreased and if so, to what rate and why.
2. All parties should be prepared to declare and support what is the most efficient rate of production for the subject Mancos Oil Pool(s) and whether these pools are rate sensitive.
3. An analysis and interpretation of the results of the June 27, 1987 - February 19, 1988 production and BHP testing and how the results effect other issues under consideration.
4. A determination of whether there is migration between the Gavilan and West Puerto Chiquito Mancos Pools; whether the horizontal boundaries of the pool are appropriate; and whether correlative rights are being violated?
5. Whether pressure maintenance would be economical and prevent waste in the Gavilan field.

IV. Issues not for Hearing:

It is stated that:

1. The Commission will not hear any issue not set forth in III above.
2. The Commission will not address the issue of modification of the existing 640-acre spacing for either pool.
3. The Commission will not consider a modification of the vertical boundaries of either pool.

V. Proposed schedule of proceedings:

It is stated that the proceedings shall be organized as follows:

1. That the parties shall be aligned so that all parties seeking to increase the allowables or GOR rates shall be identified as the proponents and those parties supporting an allowable based upon current rates, or lower rates, shall be identified as opponents.
2. The time shall be divided equally between both groups so that the direct and cross examination by the opponents approximately equals the time used by the proponents for direct and cross examination.
3. Brief position papers and witness lists will be sent by proponents and opponents to the OCD and each other outlining their major arguments by June 7, 1988. Exhibits will be exchanged Monday Morning, June 13, 1988 at 9:00 a.m.
4. The order of proceedings shall be:

Monday A.M. Presentation by Oil Conservation Commission and Commissioner of Public Lands of expert witnesses and cross examination.

Monday P.M.
through
Tuesday A.M. Proponents present direct case subject to cross examination.

Tuesday P.M.
through
Wednesday A.M. Opponents present direct case subject to cross examination

Wednesday P.M. Rebuttal by Proponents

Thursday A.M. Rebuttal by Opponents

Thursday A.M. Surrebuttal by Proponents

(Note: Monday P.M. through Thursday A.M. - 3 days - can be allocated 1 1/2 days each with each side dividing up their time according to their preference.)

Thursday P.M. Recall of witnesses by Oil Conservation Commission

Friday A.M. Closing arguments and statements.