

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 9412
ORDER NO. R-8712

APPLICATION OF MESA GRANDE RESOURCES,
INC. FOR THE EXTENSION OF THE GAVILAN-
MANCOS OIL POOL AND THE CONTRACTION OF
THE WEST PUERTO CHIQUITO-MANCOS OIL
POOL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on June 13, 1988, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of August, 1988, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of these causes and the subject matter thereof.

(2) At the time of the hearing, Cases 7980 (reopened), 8946 (reopened), 8950 (reopened), 9111 (reopened) and 9412 were consolidated for purposes of testimony.

(3) Case 9412 involves renewed application of Mesa Grande Resources, Inc. for extension of Gavilan and concomitant contraction of West Puerto Chiquito Mancos ("WPC") identical to the request in Case 9113 which was denied by Order R-7407-E.

(4) There was not substantial evidence presented to show that two separate sources of supply are separated at the boundary proposed in the application.

-2-

Case No. 9412
Order No. R-8712

(5) A change in field boundaries would not protect correlative rights or prevent waste and would impose substantial burdens on all parties and, therefore, the application in Case 9412 should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application in Case 9412 is hereby denied.

(2) Jurisdiction of this cause is retained for entry of such further orders as the Commission deems necessary.

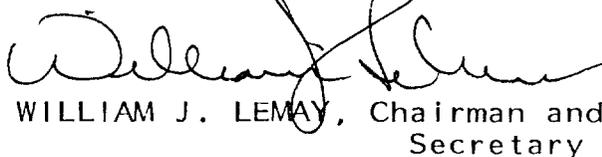
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

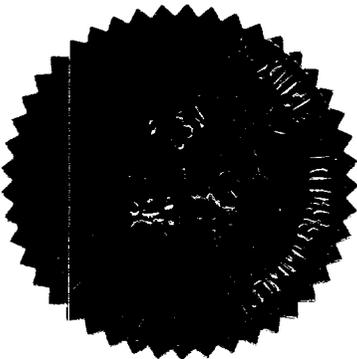


WILLIAM R. HUMPHRIES, Member

ERLING A. BROSTUEN, Member



WILLIAM J. LEMAY, Chairman and
Secretary



S E A L

dr/