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January 3, 1994

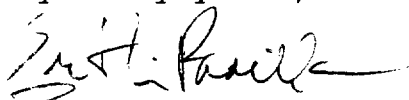
HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

RE: APPLICATION OF W. M. GALLAWAY
CASE NO. 11173

Enclosed please find the Pre-Hearing Statement of W. M. Gallaway relating to the above referenced case.

Very truly yours,


ERNEST L. PADILLA

ELP:clm
Enclosure: As indicated above
xc: A. R. Kendrick

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING: The Application of
W.M. Gallaway for Downhole
Commingling, Rio Arriba, County,
New Mexico.

CASE NO. 11173

PRE-HEARING STATEMENT

This prehearing statement is submitted by Ernest L. Padilla, Esquire, on behalf of Applicant as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

W. M. Gallaway

ATTORNEY

Ernest L. Padilla
PADILLA LAW FIRM, P.A.
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OPPOSITION OR OTHER PARTY

Unknown

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Concise statement of what is being sought with this application and the reasons therefore.)

Applicant seeks approval to downhole commingle Blanco-Mesaverde Pool gas production with Gavilan-Mancos Oil Pool production within the wellbore of its Trix Well No 2 located in Unit M of Section 5, T26 N, R2W.

OPPOSITION OR OTHER PARTY

(Concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Unknown

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
A. L. Kendrick Production Engineer	30 Min.	9 (See Attachment A)

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Identify any procedural matters which
need to be resolved prior to the hearing.)


Ernest L. Padilla

Hearing Date: January 5, 1995

DESCRIPTION OF EXHIBITS

- EXHIBIT 1 A statement regarding the subject well, the compatibility of fluids, notification of offset operators, and an index of other exhibits.
- EXHIBIT 2 A plat showing the mineral ownerships in Section 5, Township 26 North, Range 2 West in Rio Arriba County.
- EXHIBIT 3-A A plat showing the operators that offset Section 5.
- EXHIBIT 3-B A list of the names and addresses of the known or suspected owners of leases that offset Section 5.
- EXHIBIT 4-A A plat showing the wells of record that have been drilled in the sections that surround Section 5.
- EXHIBIT 4-B A list showing the active and abandoned wells in sections that offset Section 5, identifying the wells, their target intervals, the dedicated acreages of the active wells, and the dates of abandonment of the others.
- EXHIBIT 5 A copy of the Form C-102, Acreage Dedication Plat, showing the West half being dedicated to the Mesaverde formation in the subject well.
- EXHIBIT 6 A tabulation and graph showing the production from the subject well since it first produced.
- EXHIBIT 7 A schematic of the present and proposed completion intervals of the subject well.
- EXHIBIT 8 Are copies of logs showing the zones of interest.
- EXHIBIT 9 A proposal of a manner to determine the formula for allocating the production from the well.