

**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:**

CASE NO. 12520

**APPLICATION OF BP AMOCO FOR ESTABLISHMENT
OF A DOWNHOLE COMMINGLING REFERENCE CASE
AND PRE-APPROVAL OF DOWNHOLE COMMINGLING
FOR FORMATIONS AND POOLS IN THE GALLEGOS
CANYON UNIT PURSUANT TO DIVISION RULE 303.C (4)
AND THE ADOPTION OF SPECIAL ADMINISTRATIVE RULES
THEREFOR, SAN JUAN COUNTY, NEW MEXICO.**

OIL CONSERVATION DIVISION
01 JUN 23 11 39 AM

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

BP Amoco and Production, Inc.
Attn: Bill Hawkins
1670 Broadway, Room 1116
Denver, CO 80202
(303) 830-3295

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

Carroll E. Crawford
83 Road 5295 NBU 3026
Farmington, New Mexico 87401
FAX: (505) 632-2894

STATEMENT OF CASE

APPLICANT

Applicant, in accordance with Rule 303.C(4), seeks to establish a downhole commingling reference case to provide for (a) compatibility criteria, (b) pressure criteria, (c) cross-flow criteria, (d) prorationing criteria, (e) value criteria, and (f) a modification of notification rules on an area-wide basis authorization for downhole commingling of Fruitland Coal, Pictured Cliffs, Gallup, and Dakota gas production in the wellbores existing or future wells drilled anywhere within the Gallegos Canyon Unit Area located in Townships 27, 28 and 29 North, Ranges 11, 12 and 13 West, NMPM. The center of said area is located approximately 5 miles southeast of Farmington, New Mexico.

BP Amoco will present a status report on its recent negotiations with Mr. Crawford and will address concerns expressed at the December 21, 2001 hearing concerning the way BP proposes to complete wells in the Gallegos Canyon Unit if commingling is approved.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

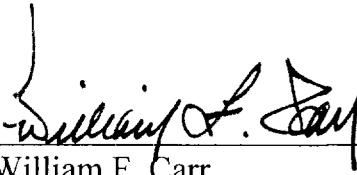
J.W. "Bill" Hawkins
(Engineer)

Approx. 15 min.

Approx. 4

PROCEDURAL MATTERS

BP Amoco Exploration and Production, Inc. has none at this time

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

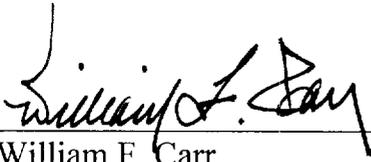
William F. Carr

Attorney for BP Amoco Exploration and Production, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of January, 2001, I have caused to be delivered by facsimile a copy of our Pre-Hearing Statement in the above-captioned case to the following party to this case:

Carroll E. Crawford
83 Road 5295 NBU 3026
Farmington, New Mexico 87401
FAX: (505) 632-2894



William F. Carr