

**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. 11132

APPLICATION OF MERIDIAN OIL INC.
FOR DOWNHOLE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MERIDIAN OIL INC.
as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

MERIDIAN OIL INC.
P. O. Box 4289
Farmington, N.M. 87499
Attn: Alan Alexander
(505) 326-9757

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

APPLICANT:

Meridian Oil Inc. seeks approval to TRIPLE complete and downhole commingle conventional gas production from:

- (1) the Chacra formation (SW/4),
- (2) the Blanco-Mesaverde Pool (W/2), and
- (3) the South Blanco-Pictured Cliffs Gas Pool

within the wellbore of its existing NAVAJO INDIAN "B" WELL NO. 3 which currently is a dual completion in the Blanco-Mesaverde and South Blanco-Pictured Cliffs Gas pools.

The only reason this well does not qualify for administrative approval under Division Rule 303 is that the pressure differential between the lowest pressure zone is expected to be less than 50% of the pressures of the highest pressure zone.

However, as analyzed by Mike Pippen, a reservoir engineer for Meridian Oil Inc., there should be little or no "cross-flow" and, that without commingling, all of the remaining production in both the Mesaverde and PC pools will be abandoned.

This case was advertised to be submitted in the absence of objection, without formal presentation of witness. Meridian is not aware of any objection to approval. Accordingly its proposed hearing exhibits are now submitted with this prehearing statement.

PROPOSED EVIDENCE

See attached exhibits 1 thorough 8 prepared by the following experts

John Zent (landman)
Jay Close (geologist)
Mike Phippen (reservoir engineer)

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

If this matter requires an evidentiary presentation, then the witnesses will be Dean Price, Jay Close and Leonard Biemer.

PROCEDURAL MATTERS

Submittal of exhibit without formal presentation of witnesses.

KELLAHIN AND KELLAHIN



By: _____
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico