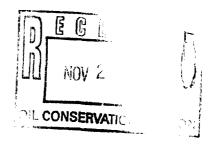
PADILLA LAW FIRM, P.A.

STREET ADDRESS

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P.O. BOX 2523 SANTA FE, NM 87504-2523 **FACSIMILE** 505-988-7592

November 29, 1994



1107

HAND DELIVERED

TELEPHONE

505-988-7577

William J. LeMay Director Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504

RE: APPLICATION OF W. M. GALLAWAY FOR

DOWNHOLE COMMINGLING

Dear Mr. LeMay:

Enclosed, in triplicate, is the Application of W.M. Gallaway for downhole commingling. Also enclosed is a proposed advertising notice.

Should you require anything further, please let us know.

Very truly yours,

ERNEST L. PADILLA

ELP:clm

Enclosures: 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 APPLICATION OF W. M. GALLAWAY FOR DOWNHOLE COMMINGLING, RIO ARRIBA COUNTY, NEW MEXICO.

NO. ///73

APPLICATION

Application states:

- 1. Applicant is the operator of the Trix #2 well (the Well) located 790 FSL and 990 FWL (Unit M) of Section 5, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico.
- 2. The Well is completed for production in the Gavilan-Mancos Oil Pool.
- 3. To more effectively and efficiently produce the Well,
 Applicant proposes to perforate the Blanco-Mesaverde Gas
 Pool and produce its production within the single wellbore
 currently used for the Gavilan-Mancos Pool production.
- 4. At hearing of this Application, Applicant will show that:
 - (a) Commingling of the Well's production as proposed by Applicant will result in greater ultimate recovery of oil and gas from the well, will prevent waste and will not impair correlative rights.
 - (b) Reservoir characteristics of both pools will allow commingling as proposed by Applicant.

WHEREFORE, Applicant requests that:

- The Application be approved in its entirety after hearing;
- B. For such other and proper relief as the Division deems appropriate.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

Erhest L. Padilla P. O. Box 2523

Santa Fe, New Mexico

87504-2523

(505) 988-7577

ATTORNEYS FOR APPLICANT