

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

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Oil Conservation Division

In the matter of the hearing called
by the Oil Conservation Division
for the purpose of considering:

CASE NO. 11349

Application of Conoco Inc.
for downhole commingling and
for two unorthodox gas well locations,
Rio Arriba County, New Mexico.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Conoco Inc. as
required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Conoco Inc.
10 Desta Drive West
Midland Texas 79705-4500
Attn: Jerry W. Hoover
1-915-686-6548

ATTORNEY

W. Thomas Kellahin
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico
(505) 982-4285

STATEMENT OF CASE

APPLICANT:

Conoco Inc. seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Basin-Dakota and Blanco-Mesaverde Gas Pool production in the wellbores of existing or future wells drilled anywhere within the San Juan 28-7 Unit including the of 17 new wells to be drilled as downhole commingled Dakota-Mesaverde wells and the approval to convert 14 existing Dakota wells by downhole commingling Dakota and Mesaverde production within those wellbores.

The San Juan Unit is located in all of Township 28 North, Range 7 West and in portions of Township 27 North, Range 7 West. The center of said area is located approximately 10 miles southeast of Navajo City, New Mexico.

The applicant additionally seeks approval to drill its San Juan 28-7 Unit Well Nos. 125M and 157N at unorthodox gas well locations 580 feet from the North line and 1140 feet from the West line (Unit D) of Section 12 and 780 feet from the South line and 703 feet from the East line (Unit P) of Section 11, both being in Township 27 North, Range 7 West.

PROPOSED EVIDENCE

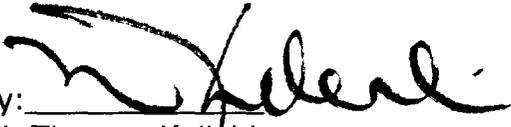
APPLICANT

WITNESSES	EST. TIME	EXHIBITS:
Matt Stanley (Engineer)	20 min.	50 total
Tom Johnson (Geologist)	20 min.	
Tom Scarbrough (Landman)	10 min.	

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 
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