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January 7, 1997

Hand Delivered

Florene Davidson
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

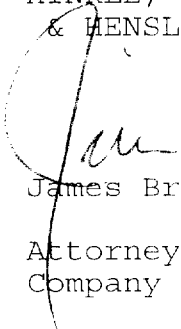
Dear Florene:

Enclosed are an original and two copies of Pre-Hearing Statements in each of the following Mallon Oil Company cases:

No. 11697;
No. 11698;
Nos. 11699-11701 (consolidated); and
No. 11702.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.


James Bruce

Attorneys for Mallon Oil
Company

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:

APPLICATION OF MALLON OIL COMPANY
FOR THE ESTABLISHMENT OF A DOWNHOLE
COMMINGLING REFERENCE CASE PURSUANT
TO DIVISION RULE 303.E AND THE
ADOPTION OF ADMINISTRATIVE RULES
THEREFOR, SANDOVAL COUNTY, NEW MEXICO.

CASE NO. 11697

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Mallon Oil Company
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Denver, Colorado 80202
Attn: Randy Stalcup
(303) 293-2333 (ext. 490)

APPLICANT'S ATTORNEY

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OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order establishing a downhole commingling reference case for production from the Fruitland Coal, Pictured Cliffs, Mesaverde, Mancos, and Dakota formations in future wells drilled in Sections 4 through 10, Township 22 North, Range 4 West. Drilling wells in the subject area is uneconomic unless downhole commingling is allowed.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Randy Stalcup (Landman)	10 min.	1. Land plat 2. Notice letters
Ray Jones (Engineer)	10 min.	1. Economic data 2. Engineering data 3. Allocation formula

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

-None-

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.



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