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June 20, 1990

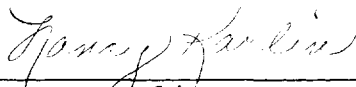
State of New Mexico
Energy, Minerals & Natural Resources Department
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501-2088

Re: Pre-Hearing Statement - Case No. 9969
Application for Downhole Commingling
and a Non-Standard Oil Proration Unit
Hixon Development Company
Rio Arriba County, New Mexico

Gentlemen:

Enclosed please find Pre-Hearing Statement for Case No. 9969,
as referenced above, which has been placed on the Examiner Hearing
Docket scheduled for June 27, 1990 in Santa Fe, New Mexico.

Sincerely,



Nancy Karlin,
Secy. to TOMMY ROBERTS

:nk
enclosure

cc w/encl: Hixon Development Company
Attn: John Corbett

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. 9969

APPLICATION OF HIXON DEVELOPMENT
COMPANY FOR DOWNHOLE COMMINGLING
AND A NON-STANDARD OIL PRORATION
UNIT, RIO ARRIBA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This prehearing statement is submitted by Hixon Development Company as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Hixon Development Company

Tommy Roberts

P.O. Box 2810

P.O. Box 1020

Farmington, New Mexico 87499

Farmington, New Mexico 87499

(505) 326-3325

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name, address, phone
and contact person

OPPOSITION OR OTHER PARTY

ATTORNEY

No Entries of Appearance have been

filed with the Oil Conservation

Divison as of June 19, 1990

name, address, phone
and contact person

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with the application and the reasons therefore.)

Hixon Development Company proposes to re-complete its Evans No. 1 Well in the Gavilan Mancos Oil Pool. The Evans No. 1 Well is currently completed in, and producing from, the Gavilan Greenhorn Graneros Dakota Oil Pool and, upon successful re-completion in the Gavilan Mancos Oil Pool, Hixon Development Company purposes to commingle production from the Gavilan Greenhorn Graneros Dakota Oil Pool and the Gavilan Mancos Oil Pool in the wellbore of the well. Hixon Development Company purposes to establish a 320-acre non-standard oil spacing and proration unit for production attributable to the Gavilan Mancos Oil Pool.

Hixon Development Company seeks a 320-acre non-standard oil spacing and proration unit because the E/2 of Section 5, Township 24 North, Range 2 West, Rio Arriba County, New Mexico has been developed on 320-acre spacing in the Gavilan Mancos Oil Pool. The well to which that acreage is dedicated is now only marginally productive. It is believed the correlative rights of the owners in the Gavilan Mancos Oil Pool underlying the W/2 of Section 5 can be best protected by the re-completion of the Evans No. 1 Well in the Gavilan Mancos Oil Pool on a 320-acre oil spacing and proration unit basis.

Hixon Development Company seeks approval for the downhole commingling of production from the Gavilan Greenhorn Graneros Dakota Oil Pool and the Gavilan Mancos Oil Pool in the wellbore of the Evans No. 1 Well because the Dakota formation is no longer economically productive in its own right. In the absence of approval to commingle production from the two formations downhole, Hixon Development Company will be compelled to plug the Dakota formation resulting in the permanent loss of reserves otherwise recoverable.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Not Applicable

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

John Corbett,
Petroleum Geologist

1 Hour

geologic maps showing
reservoir continuity;

illustration of Evans
No. 1 economics;

illustration of economics
for the well in the E/2
of Section 5 producing
from the Gavilan Mancos
Oil Pool;

lease ownership plat;

decline curves applicable
to the well in Section 5;
and

other exhibits not yet
determined

OPPOSITION

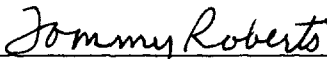
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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Not Applicable

PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing)

None



TOMMY ROBERTS, Attorney for
Hixon Development Company