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. 11,991

APPLICATION OF YATES PETROLEUM CORPORATION FOR DOWNHOLE COMMINGLING, EDDY COUNTY, NEW MEXICO

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner ECENTED

1998

August 6th, 1998

Oil Conservation Division

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, August 6, 1998, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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INDEX

August 6th, 1998 Examiner Hearing CASE NO. 11,991

PAGE

REPORTER'S CERTIFICATE

5

EXHIBITS

* * *

Applicant's

Identified Admitted

Affidavit

3

* * *

APPEARANCES

FOR THE DIVISION:

RAND L. CARROLL Attorney at Law Legal Counsel to the Division 2040 South Pacheco Santa Fe, New Mexico 87505

FOR THE APPLICANT:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A. Suite 1 - 110 N. Guadalupe P.O. Box 2208 Santa Fe, New Mexico 87504-2208 By: WILLIAM F. CARR

ALSO PRESENT:

MARK W. ASHLEY NMOCD Petroleum Geologist 2040 South Pacheco Santa Fe, New Mexico 87505

WHEREUPON, the following proceedings were had at 1 2 11:46 a.m.: 3 EXAMINER STOGNER: At this time I'll call Case 4 5 Number 11,991. MR. CARROLL: Application of Yates Petroleum 6 Corporation for downhole commingling, Eddy County, New 7 Mexico. 8 EXAMINER STOGNER: Call for appearances or 9 10 anything? 11 MR. CARR: May it please the Examiner, my name is 12 William F. Carr with the Santa Fe law firm Campbell, Carr, 13 Berge and Sheridan. 14 We represent Yates Petroleum Corporation in this 15 matter. Mr. Examiner, this case was heard two weeks ago. 16 17 Additional parties were identified after the original 18 notice was mailed out. We now have an affidavit that confirms that 19 20 notice of the Application has been provided to all affected parties in accordance with OCD Rules and Regulations. 21 22 And with your permission I will now submit the notice affidavit. 23 And that concludes our presentation in that 24 25 matter.

1	EXAMINER STOGNER: In that case, 11,991 will be
2	taken under advisement.
3	(Thereupon, these proceedings were concluded at
4	11:47 a.m.)
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL August 29th, 1998.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 1998

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF YATES PETROLEUM CORPORATION FOR DOWNHOLE COMMINGLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 11991

<u>AFFIDAVIT</u>

STATE OF NEW MEXICO)
) ss
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Yates Petroleum Corporation, the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

William F. Carr

SUBSCRIBED AND SWORN to before me this 6th day of August, 1998.

Notary Public

My Commission Expires:

EXHIBIT A

Nortex, Inc. Post Office Box 2267 Midland, TX 79702

Sun Oil Company Post Office Box 2880 Dallas, TX 75221

Western Oil Producers, Inc. Post Office Box 1498 Roswell, NM 88202-1498

Hanson Operating Company 400 N. Pennsylvania Roswell, NM 88201

Enron Oil & Gas Company Post Office Box 2267 Midland, TX 79702

Gothic Energy Post Office Box 970799 Dallas, TX 75397-0799

CDQ, Inc. Post Office Box 1567 Hope, NM 88250

J. Hiram Moore, Betty Jane Moore, Michael Harrison Moore Trustees under indenture of Trust from J. Hiram Moore, et ux. 310 W. Wall, Suite 404 Midland, TX 79701-5119

AFFIDAVIT, Page 2

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421

FACSIMILE: (505) 983-6043

E-MAIL: ccbspa@ix.netcom.com

July 16, 1998

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Case 11991: Application of Yates Petroleum Corporation for Downhole Commingling, Eddy County, New Mexico

Gentlemen:

This letter is to advise you that Yates Petroleum Corporation has filed an application with the New Mexico Oil Conservation Division seeking approval of the downhole commingling of production from the Upper Pennsylvanian formation, Undesignated Kennedy Farms-Upper Pennsylvanian Pool, Atoka formation, Undesignated Kennedy Farms-Atoka Pool and the Morrow formation, Kennedy Farms-Morrow Pool within the wellbore of its Martin "ARH" Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 27, Township 17 South, Range 26 East, NMPM, Eddy County, New Mexico.

This application has been set for hearing before a Division Examiner on August 6, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR YATES PETROLEUM CORPORATION

WFC:mlh

Z 211 156 323 US Postal Service Receipt for Certified Mail

Nortex, Inc. Post Office Box 2267 Midland, TX 79702

	Postage	\$,32
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Western Oil Producers, Inc. Post Office Box 1498 Roswell, NM 88202-1498

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J. Hiram Moore, Betty Jane Moore, Michael Harrison Moore Trustees under indenture of Trust from J. Hiram Moore, et ux. 310 West Wall, Suite 404 Midland, TX 79701-5119

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