

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

RECEIVED

August 6th, 1998

Santa Fe, New Mexico

AUG 11 1998

Oil Conservation Division

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.

* * *

I N D E X

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

PAGE

REPORTER'S CERTIFICATE

5

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Affidavit	3	-

* * *

A P P E A R A N C E S

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
 NMOC D Petroleum Geologist
 2040 South Pacheco
 Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 11:46 a.m.:

3
4 EXAMINER STOGNER: At this time I'll call Case
5 Number 11,991.

6 MR. CARROLL: Application of Yates Petroleum
7 Corporation for downhole commingling, Eddy County, New
8 Mexico.

9 EXAMINER STOGNER: Call for appearances or
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.

16 Mr. Examiner, this case was heard two weeks ago.
17 Additional parties were identified after the original
18 notice was mailed out.

19 We now have an affidavit that confirms that
20 notice of the Application has been provided to all affected
21 parties in accordance with OCD Rules and Regulations.

22 And with your permission I will now submit the
23 notice affidavit.

24 And that concludes our presentation in that
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.)

5 * * *

6
7
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9
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11
12
13 I do hereby certify that the foregoing
14 is a correct and true copy of the
15 proceedings of the hearing held on 11/29/96,
16 heard by me on 11/29/96.
17
18
19
20
21
22
23
24
25
ON Conservation Division

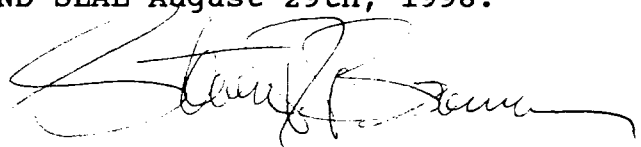
CERTIFICATE OF REPORTER

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

AFFIDAVIT

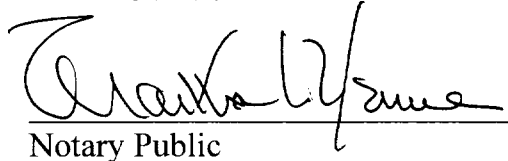
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

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:

August 19, 1999

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

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 1 - 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*

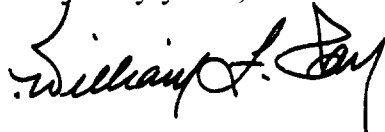
Gentlemen:

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

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number

Z 211 156 323

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD

7. Date of Delivery

JUL 20 1998

5. Received By: (Print Name)

8. Addressee's Address (Only if registered and fee is paid)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

102595-98-8-0229

Domestic Return Receipt

US Postal Service
Receipt for Certified Mail

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

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	2.77
Postmark	JUL 16 1998

PS Form 3800, April 1995

USPS-87501

Thank you for using Return Receipt Service.

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
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- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Sun Oil Company
Post Office Box 2880
Dallas, TX 75221

4a. Article Number
7 211 156 324

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery
JUL 20 1998

5. Received By: (Print Name)

OKOZIO

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 324

US Postal Service
Receipt for Certified Mail

Sun Oil Company
Post Office Box 2880
Dallas, TX 75221

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark Date	JUL 16 1998

PS Form 3800, April 1995

USPS-87501

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number
Z 211 156 325

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

- 4b. Service Type
- ☐ Registered
 - ☐ Express Mail
 - ☐ Return Receipt for Merchandise
 - ☒ Certified
 - ☐ Insured
 - ☐ COD

5. Received By: (Print Name)

7. Date of Delivery
7-20-78

6. Signature: (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-8-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

2 211 156 325
US Postal Service
Receipt for Certified Mail

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

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
Total Postage & Fees	\$ 2.77
Postmark or Date	JUL 16 1998 USPS-87501

PS Form 3811, April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b
- ☐ Print your name and address on the reverse of this form so that we can return this paid to you.
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- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Hanson Operating Company
400 N. Pennsylvania
Roswell, NM 88201

4a. Article Number

7 211 156 326

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

7.21.98

5. Received By: (Print Name)

Jan Stearns

6. Signature: (Addressee or Agent)

X Jan Stearns

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

2 211 156 326
US Postal Service
Receipt for Certified Mail

Hanson Operating Company
400 N. Pennsylvania
Roswell, NM 88201

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	3.77
Postmark or Date	JUL 16 1998 USPS-87501

PS Form 3800 April 1995

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number

Z 211 156 327

4b. Service type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

JUL 20 1998

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

PS Form 3800, April 1995

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 327

US Postal Service

Receipt for Certified Mail

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

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	JUL 16 1998

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I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
Z 211 156 328

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery

7-27-98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: *(Print Name)*
BANK ONE

6. Signature: (Addressee or Agent)
X

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 328
US Postal Service
Receipt for Certified Mail

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

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	JUL 16 1998

PS Form 3800, April 1995

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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number
Z 211 156 329

4b. Service type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☒ Certified
- ☐ Insured
- ☐ COD

7. Date of Delivery
07-18-98

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X [Signature]

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 329
US Postal Service
Receipt for Certified Mail

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

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	JUL 16 1999

PS Form 3800, April 1995

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 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number

Z 211 156 330

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

7-10-98

8. Addressee's Address (Only if requested and fee is paid)

Sarah S. Abbott

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 330

US Postal Service

Receipt for Certified Mail

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

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	1.98
Postmark or Date	JUN 16 1998

PS Form 3800, April 1995

USPS-87501