

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:)
AMENDED APPLICATION OF YATES PETROLEUM)
CORPORATION FOR COMPULSORY POOLING,)
LEA COUNTY, NEW MEXICO)

CASE NO. 12,582

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 22nd, 2001

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, February 22nd, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

OIL CONSERVATION DIV
01 MAR - 8 AM 9:13

* * *

I N D E X

February 22nd, 2001
 Examiner Hearing
 CASE NO. 12,582

	PAGE
REPORTER'S CERTIFICATE	5

* * *

E X H I B I T

Applicant's	Identified	Admitted
Exhibit A	3	3

* * *

A P P E A R A N C E S

FOR THE APPLICANT:

HOLLAND & HART, LLP, and CAMPBELL & CARR
 110 N. Guadalupe, Suite 1
 P.O. Box 2208
 Santa Fe, New Mexico 87504-2208
 By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 10:55 a.m.:

3 EXAMINER CATANACH: Okay, at this time we'll call
4 Case 12,592, which is the amended Application of Yates
5 Petroleum Corporation for compulsory pooling, Lea County,
6 New Mexico.

7 Call for appearances.

8 MR. CARR: May it please the Examiner, my name is
9 William F. Carr with the law firm Holland and Hart, L.L.P.
10 We represent Yates Petroleum Corporation in this matter.

11 This case was presented on January the 25th, and
12 during the testimony it was discovered that while the
13 Application sought only to go through the Morrow, the well,
14 in fact, would penetrate the Mississippian.

15 We amended the Application, have notified
16 Chevron, the only affected party, and I have an affidavit
17 confirming that that notice has been provided, which has
18 been marked as our Exhibit A.

19 I would request that this exhibit be included in
20 the record of the case, and the case taken under
21 advisement, based on the January 25th record.

22 EXAMINER CATANACH: Exhibit A, a notice
23 affidavit, will be admitted as evidence in this case.

24 Are there any additional appearances or
25 statements in this case at this time?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

There being none, Case 12,582 will be taken under advisement.

(Thereupon, these proceedings were concluded at 10:56 a.m.)

* * *

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 12582, heard by me on February 22 192001.
David R. Catant, Examiner
Oil Conservation Division

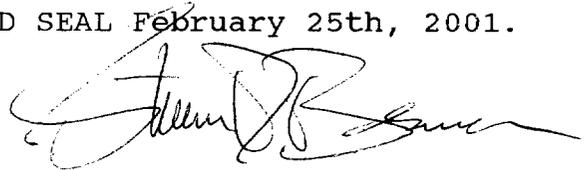
CERTIFICATE OF REPORTER

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 February 25th, 2001.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002

EXHIBIT A

Chevron U.S.A., Inc.
Post Office Box 1150
Midland, Texas 79702
Attention: M. D. Barabash
Land Representative

HOLLAND & HART ^{LLP}
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

February 1, 2001

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chevron U.S.A., Inc.
Post Office Box 1150
Midland, Texas 79702

Attention: M. D. Barabash
Land Representative

Re: Amended Application of Yates Petroleum Corporation for compulsory pooling,
Lea County, New Mexico.

Dear Mr. Barabash:

This letter is to advise you that Yates Petroleum Corporation has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking the compulsory pooling of certain spacing and proration units in S/2 of Section 13, Township 15 South, Range 34 East, NMPM, Lea County, New Mexico. Said units will be dedicated to Yates Petroleum Corporation's Chevy "AWV" State Com Well No. 1 to be drilled at a standard location 1650 feet from the South and West lines of said Section 13 to test all formations from the surface to the base of the Mississippian formation.

This amended application has been set for hearing before a Division Examiner on February 22, 2001. 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 are required by Division Rule 1208.B to file a Prehearing Statement three days in advance of a scheduled hearing. This statement must include: the names of the parties and

Chevron U.S.A., Inc.
Attention: M. D. Barabash
February 1, 2001
Page Two

their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

/s/
William F. Carr
ATTORNEY FOR YATES
PETROLEUM CORPORATION

Enc.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Chevron U.S.A., Inc.
Post Office Box 1150
Midland, Texas 79702

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **Bob Bell** B. Date of Delivery **FEB 05 2001**
 C. Signature **[Signature]** Agent Addressee
 D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)
7026 6000 (004 311 110)

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

1987
 1988
 1989
 1990
 1991
 1992

[Redacted]

Postage Fee
 Certified Fee
 Return Receipt Fee
 Endorsement Return Fee
 Restricted Delivery Fee
 Endorsement Return Fee
 Total Postage & Fees **0.95**



Recipient Name **[Redacted]**
 Street, Apt. No., or PO Box No. **[Redacted]**
 City, State ZIP+4 **[Redacted]**