

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 YATES PETROLEUM )  
CORPORATION FOR DOWNHOLE COMMINGLING, )  
EDDY COUNTY, NEW MEXICO )

CASE NO. 11,991

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

RECEIVED

August 6th, 1998

AUG 11 1998

Santa Fe, New Mexico

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  
 NMCD 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.

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EXAMINER STOGNER: In that case, 11,991 will be taken under advisement.

(Thereupon, these proceedings were concluded at 11:47 a.m.)

\* \* \*

I do hereby certify that the foregoing is a correct and true copy of the proceedings heard by me on 11996 198  
*[Signature]*  
On Conservation Division



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

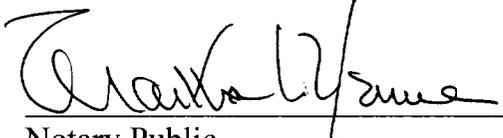
AFFIDAVIT

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 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*

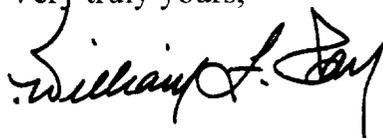
Gentlemen:

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

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

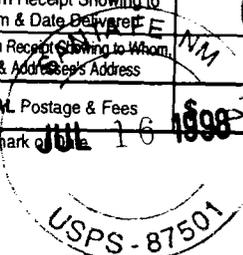
Domestic Return Receipt

2 211 156 323  
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	
<b>TOTAL Postage &amp; Fees</b>	<b>2.77</b>
Postmark	JUL 16 1998

PS Form 3800, April 1995



Thank you for using Return Receipt Service.

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

**SENDER:**

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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:

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

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

5. Received By: (Print Name)

*OKD 210*

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.

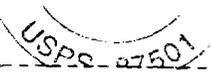
Z 211 156 324

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	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 2.77</b>
Postmark Date	JUL 16 1998

PS Form 3811 April 1995



Is your RETURN ADDRESS completed on the reverse side?

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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:

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

4a. Article Number  
Z211 156 325

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

7. Date of Delivery  
7-20-78

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
*[Handwritten Signature]*

PS Form 3811, December 1994

102595-98-8-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 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, & Addressee's Address	1.10
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 2.77</b>
Postmark or Date	

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
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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
- Certified
- Insured
- COD

7. Date of Delivery

7-21-98

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

5. Received By: (Print Name)

Jean Stearnes

6. Signature: (Addressee or Agent)

*Jean Stearnes*

PS Form 3811, December 1994

102595-98-B-0229

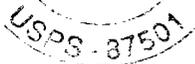
Domestic Return Receipt

7 211 156 326  
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

PS Form 3800 April 1995



Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

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- 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:

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)

*[Handwritten Signature]*

PS Form 3811, December 1994

MD595-98-B-0229 Domestic Return Receipt

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	110
Return Receipt Showing to Whom, Date, & Address	
TOTAL Postage & Fees	\$ 2.77
Postmark or Date	JUL 16 1998

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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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
  - 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)*  
 DAN KONE

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	
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Return Receipt Showing to Whom, Date, & Addressee's Address	
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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

5. Received By: (Print Name)

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

6. Signature: (Addressee or Agent)

*[Handwritten Signature]*

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

7 211 156 329  
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	1110
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 2.77</b>
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
- Certified
- Insured
- COD

7. Date of Delivery

7-10-98

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

5. Recipient's Signature (Addressed to Agent)

Sarah S. Abbott

X *[Signature]*

6. Signature: (Addressee or Agent)

102595-98-8-0229

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	APR 16 1998

PS Form 3800, April 1995

