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. 12,102

APPLICATION OF CHEVRON, USA, INC., FOR SURFACE COMMINGLING, LEA COUNTY, NEW MEXICO

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MARK ASHLEY, Hearing Examiner

January 7th, 1999

Santa Fe, New Mexico

99 JAN 21 PH 2:4

This matter came on for hearing before the New Mexico Oil Conservation Division, MARK ASHLEY, Hearing Examiner, on Thursday, January 7th, 1999, 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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REPORTER'S CERTIFICATE

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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

* * *

WHEREUPON, the following proceedings were had at 1 8:25 a.m.: 2 EXAMINER ASHLEY: This hearing will come to order 3 for Docket 1-99. Please note today's date, January 7th, 4 I'm Mark Ashley, appointed Hearing Examiner for 5 today's cases. 6 And before we call the first case, I wanted to go 7 over the docket and mention the continuances and 8 dismissals. 9 (Off the record) 10 EXAMINER ASHLEY: At this time the Division calls 11 12 Case Number 12,102. 13 MR. CARROLL: Application of Chevron, U.S.A., Inc., for surface commingling, Lea County, New Mexico. 14 15 EXAMINER ASHLEY: Call for appearances. MR. CARR: May it please the Examiner, my name is 16 17 William F. Carr with the Santa Fe law firm Campbell, Carr, Berge and Sheridan. We represent Chevron in this matter. 18 Mr. Examiner, this case was heard on December the 19 17th, and at the time of the hearing it was determined that 20 additional notice of the Application needed to be provided 21 to certain interest owners owning acreage -- owning 22 23 interest in the acreage from which production would be surface commingled. 24 Notice letters were provided. I have an 25

affidavit confirming that notice requirements of Division Rule 1207 have now been complied with. I would request permission to offer the notice affidavit and request that the case be taken under advisement. EXAMINER ASHLEY: The affidavits will be admitted as evidence at this time, and Case 12,102 will be taken under advisement. (Thereupon, these proceedings were concluded at 8:27 a.m.) I do number contify that the following the in-

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 January 7th, 1999.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 2002