

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. 99 AH - 1 AH 8:30

APPLICATION OF DEVON ENERGY CORPORATION )  
(NEVADA) FOR SURFACE COMMINGLING AND )  
LEASE COMMINGLING, EDDY COUNTY, )  
NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

March 18th, 1999

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, March 18th, 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.

\* \* \*

STEVEN T. BRENNER, CCR  
(505) 989-9317

## I N D E X

March 18th, 1999  
Examiner Hearing  
CASE NO. 12,146

PAGE

REPORTER'S CERTIFICATE

5

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## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	-
Exhibit 2	4	-
Exhibit 3	4	-

\* \* \*

## 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:

JAMES G. BRUCE, Attorney at Law  
612 Old Santa Fe Trail, Suite B  
Santa Fe, New Mexico 87501  
P.O. Box 1056  
Santa Fe, New Mexico 87504

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   1:03 p.m.:

3           EXAMINER CATANACH:   Okay, we'll call the hearing  
4   back to order and call Case 12,146.

5           MR. CARROLL:   Application of Devon Energy  
6   Corporation (Nevada) for surface commingling and lease  
7   commingling, Eddy County, New Mexico.

8           EXAMINER CATANACH:   Call for appearances.

9           MR. BRUCE:   Mr. Examiner, Jim Bruce of Santa Fe,  
10   representing the Applicant.   I have do not have any  
11   witnesses, I just have a brief presentation.

12           Mr. Examiner, in this case Devon Energy seeks an  
13   exception to Division Rules 303.B and 309.B to permit  
14   approval of surface and lease commingling of production  
15   from the Red Lake-Queen-Grayburg-San Andres Pool and the  
16   Undesignated Northeast Red Lake-Glorieta-Yeso Pool.   The  
17   land involved is the west half northeast quarter and  
18   southeast northwest quarter of Section 18, 18 South, 27  
19   East.

20           I've handed you three exhibits.   The first  
21   exhibit is the Application explaining the procedure and  
22   setup for this Application.   You'll notice that these  
23   wells, except for one, have been drilled.   They produce at  
24   low rates.

25           The third page of the exhibit outlines the lease

1 involved. Although it's just called the Kaiser B lease,  
2 the ownership in the northwest quarter of the northeast  
3 quarter is different from the ownership in the other 80  
4 acres.

5 The ownership is set forth on Exhibit 2. The  
6 first two pages show the ownership of the two wells in the  
7 northwest quarter of the northeast quarter, and the other  
8 three pages show the ownership in the remaining 80 acres.  
9 Notice to all of the interest owners was given by means of  
10 the -- as shown on the affidavit marked Exhibit 3.

11 As noted in the prehearing statement, this  
12 Application is similar to a number of others which Devon  
13 has filed in this area. What they're asking to do is to  
14 perform periodic well tests, not less than monthly, to  
15 allocate production and to commingle production from these  
16 formations in a common tank battery on this acreage, in  
17 order to save a substantial amount of operating costs.

18 And that's all I have.

19 EXAMINER CATANACH: Okay. There aren't any  
20 additional appearances in this case at this time?

21 There being nothing further in this case, Case  
22 12,146 will be taken under advisement.

23 (Thereupon, these proceedings were concluded at  
24 1:05 p.m.)

25 I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 12146  
heard by me on 12/16/98  
STEVEN T. BRENNER, Examiner  
(505) 989-9317  
ON Conservation DWRB 17

## 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 March 21st, 1999.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 2002