

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF DEVON ENERGY CORPORATION
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 13603

**LCX ENERGY, LLC'S
MOTION TO QUASH**

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LCX ENERGY, LLC, (LCX), through its undersigned attorneys, moves the New Mexico Oil Conservation Division enter its order quashing, in part, the Subpoena Duces Tecum issued on behalf of Devon Energy Corporation, (Devon) on January 11, 2006. In support, LCX states:

Devon is the Applicant in this compulsory pooling case. LCX is the Applicant in Case No. 13628, the companion compulsory pooling case which the parties agree may be consolidated for hearing. LCX is the operator of the 1725 Federal Com Well No. 61 (API 30-015-3430) drilled on LCX's acreage in the W/2 of Section 6, T17S, R25E, NMPM in Eddy County. Devon is an interest owner in the W/2 unit and has not agreed to voluntarily participate in LCX's well. Both parties seek the consolidation of unjoined interests and their dedication to the W/2 unit.

The respective compulsory pooling applications of the parties are virtually identical, except that Devon is asking the Division to cancel LCX's approved APD and designate Devon as operator of the well. Devon's request that the Division remove LCX as operator is without any stated basis, other than it appears Devon objects that the well was commenced before Devon received a well proposal or before the interests in the W/2 unit were consolidated.

The two cases are otherwise unremarkable competing compulsory pooling applications. There is no disagreement between the parties over either the configuration of the W/2 unit,

ownership, well location, geological or engineering matters, or the 200% risk penalty. At the time it was required to file its pre-hearing statement under Rule 1211B(1), Devon gave no indication that any other issues would be raised. Accordingly, it would appear that the cases may be easily resolved solely on the basis of testimony presented by landman witnesses. Devon's subpoena is largely irrelevant as a consequence.

LCX objects to each of the items in Devon's Subpoena Duces Tecum as a follows:

1. All documents which relate to LXC Energy, LLC's decision to drill the 1725 Federal Com Well No. 61 (**API No. 30-015-34340**) in the W/2 of Section 6, Township 17 South, Range 25 East, NMPM.

The information sought may be derived from business records which will be produced at a mutually agreeable time and location.

2. Copies of all well logs, completion reports related to the drilling and completion of the 1725 Federal Com Well No. 61 (**API No. 30-015-34340**) drilled from a surface location located in the NW/4 NW/4 of Section 6, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico.

LCX objects to this subpoena item for the reason that it seeks the disclosure of proprietary and confidential business and privileged trade secret information. LCX further objects to this subpoena item for the reason that it is not reasonably calculated to lead to the discovery of admissible evidence. Rule 1-033(B)(1).

3. All reservoir pressure information from the 1725 Federal Com Well No. 61 including all bottomhole pressure tests and build-up test results, current well rates, flowing tubing pressures and choke sizes on the 1725 Federal Com Well No. 61.

LXC objects to this subpoena item for the reason that it seeks the disclosure of proprietary and confidential business and privileged trade secret information. LCX further objects to this subpoena item for the reason that it is not reasonably calculated to lead to the discovery of admissible evidence. Rule 1-033(B)(1).

4. All production information on the 1725 Federal Com Well No. 61.

The information or materials sought do not exist.

5. All monthly production reports for all other Wolfcamp formation wells drilled and/or operated by LCX Energy, LLC in Southeastern New Mexico.

LCX objects to this subpoena item for the reason that it is unduly burdensome or expensive, taking into account the needs of the case. Rule 1-026(B)(2)(c). LCX further objects to this subpoena item for the reason that it is not reasonably calculated to lead to the discovery of admissible evidence. Rule 1-033(B)(1).

6. Copies of any geologic data including geologic maps, structure maps, isopachs, cross-sections, and/or logs prepared by and/or used by LCX Energy, LLC to select the location for the 1725 Federal Com Well No. 61.

LCX objects to this subpoena item for the reason that it seeks the disclosure of proprietary and confidential business and privileged trade secret information; LXC further objects to this interrogatory for the reason that it is not reasonably calculated to lead to the discovery of admissible evidence. Rule 1-033(B)(1).

7. Copies of all petroleum engineering data and studies prepared by and/or used LCX Energy, LLC to determine that the 1725 Federal Com Well No. 61 should be drilled and/or used in selecting a location for the well.

LCX objects to this subpoena item for the reason that it seeks the disclosure of proprietary and confidential business and privileged trade secret information; LCX further objects to this interrogatory for the reason that it is not reasonably calculated to lead to the discovery of admissible evidence. Rule 1-033(B)(1).

8. All data presented to the Oil Conservation Division or the Bureau of Land Management concerning the 1725 Federal Com Well No. 61.

This subpoena item is too vaguely stated. Without waiving its objections, LXC will produce APD materials at a mutually agreeable time and location.

9. All documents concerning the ownership of interests in the acreage dedicated to the 1725 Federal Com Well No. 61 (W/2 of Section 6, Township 17 South, Range 25 East, NMPM) including but not limited to all title opinions and title reports.

LCX objects to this subpoena item to the extent it seeks materials protected by the attorney/client privilege or the attorney work-product doctrine. Rule 1-026(B)(4). LCX objects to this subpoena item for the reason that the discovery sought is unreasonably cumulative or duplicative and/or is obtainable from some other source that is more convenient, less burdensome or less expensive. Rule 1-026(B)(2)(a).

10. Copies of all exhibits which LCX Energy, LLC will present in the Oil Conservation Division Examiner hearing in this case.

LCX has not yet designated the exhibits it will present at the examiner hearing.

For the foregoing reasons, LCX requests the Division enter its order quashing Devon's Subpoena Duces Tecum, except to the extent LCX agrees to produce responsive materials as indicated above.

Respectfully submitted,
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Certificate of Mailing

I hereby certify that a true and correct copy of the foregoing was mailed to counsel of record on the 18 day of January, 2006 as follows:

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