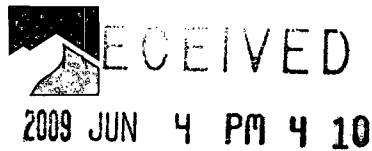


HOLLAND & HART LLP



William F. Carr  
wcarr@hollandhart.com

June 4, 2009

**VIA HAND DELIVERY**

Mark E. Fesmire, P. E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1222 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: Case No. 14330:  
Application of Gandy Corporation for Authorization to Inject.**

Dear Mr. Fesmire:

Enclosed are copies of V-F Petroleum, Inc.'s Motion for Continuance and Motion to Quash Subpoena in the above-referenced case.

Your consideration of these motions is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is stylized with a large, sweeping initial "W" and a long, horizontal stroke extending to the right.

William F. Carr  
Attorney for V-F Petroleum, Inc.

WFC

cc: Charles N. Lankins, Esq. via Facsimile

**Holland & Hart LLP**

**Phone** [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, NM 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. A small recycling symbol consisting of three chasing arrows forming a triangle.

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

RECEIVED  
2009 JUN 4 PM 4 11

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 14330

APPLICATION OF GANDY CORPORATION FOR AUTHORIZATION TO INJECT.

MOTION FOR CONTINUANCE

V-F PETROLEUM, INC., through its undersigned attorneys, moves the Oil Conservation Division for a four week continuance in the above captioned case. In support hereof, V-F Petroleum, Inc. states:

1. In this case, Gandy Corporation ("Gandy") seeks an order authorizing it to dispose produced salt water into the Abo and the Permo-Pennsylvanian formations in a 2,200 foot interval from 8,900 feet to 11,000 feet in its Albacore 25 Com Well No. 1 (API 30-025-37054) located 130 feet from the South line and 1350 feet from the West line of Section 25, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
2. V-F Petroleum operates offsetting wells and has objected to the application.
3. Gandy has subpoenaed mud logs from V-F Petroleum, Inc. and V-F Petroleum has moved to Quash the Subpoena. No ruling has been made by the Division on the subpoena.
4. Counsel for Gandy has informed the undersigned that Gandy desires to proceed to hearing on the June 11, 2009 Examiner Hearing Docket.

5. V-F Petroleum, Inc. requests a continuance to the July 9th Examiner Hearing Docket for the following reasons:

- (a) The undersigned was unable to locate the principles of V-F Petroleum, Inc. from May 27, 2009 [when legal counsel for Gandy wrote V-F Petroleum, Inc. and requested copies of the mud logs for the Blue Fin Well No. 25 and the Eidson Well No. 26] until June 3, 2009 concerning the production of these documents. Accordingly V-F Petroleum's Motion to Quash has been filed on this date and a ruling on this discovery issue is required before the V-F Petroleum, Inc. can fully prepare its case. V-F Petroleum, Inc. cannot be prepared to proceed on June 11, 2009.
- (b) Prior commitments prohibit the attendance of V-F Petroleum, Inc.'s witnesses at the June 25th examiner hearing.
- (c) If this application goes to hearing before July 9, 2009, V-F Petroleum, Inc.'s participation will be limited to cross examination, in the nature of discovery, and then, if an adverse order is entered, a *de novo* appeal to the Commission for a hearing when V-F Petroleum, Inc.'s opposition can be fully prepared and presented.
- (d) The parties have been discussing potential settlement of this dispute.

WHEREFORE, V-F Petroleum, Inc. moves the Oil Conservation Division for an order continuing the hearing in this case to the July 9, 32009 Examiner Hearing Docket.

Respectfully Submitted:

Holland & Hart LLP



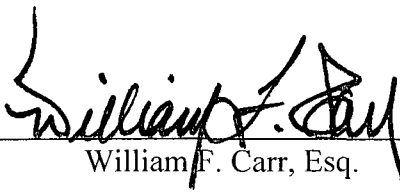
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(505) 988-4421  
(505) 983-6043 Facsimile

**ATTORNEYS FOR V-F PETROLEUM, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 4th day of June, 2009, I have caused to be delivered by Facsimile a copy of the **Motion for Continuance** in the above mentioned case to the following counsel of record:

Charles N. Lankins, Esq.  
Domenici Law Firm  
320 Gold Ave., SW  
Suite 1000  
Albuquerque, New Mexico 87102-3228  
(505) 883-5260  
(505) 884-3424 Facsimile



William F. Carr, Esq.

RECEIVED  
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. 14330**

**APPLICATION OF GANDY CORPORATION FOR AUTHORIZATION TO INJECT.**

**MOTION TO QUASH SUBPOENA**

V-F PETROLEUM, INC., through its undersigned attorneys, applies to the New Mexico Oil Conservation Division for an order quashing the Subpoena for Production of Documents issued by the Division to V-F Petroleum, Inc. on June 5, 2009. As grounds for this motion, V-F Petroleum, Inc. states the following:

1. Pursuant to N.M.S.A. § 70-2-8 (2005) and NMAC 19.15. 4.16(A) of the New Mexico Oil Conservation Division's Rules of Procedure, the Division issued a Subpoena for Production of Documents on June 5, 2009. The subpoena was issued on the application of Gandy Corporation and ordered V-F Petroleum, Inc. to produce for inspection and copying all mud logs from V-F Petroleum's Blue Fin 25 Well (API 30-025-35865) and V-F Petroleum's Eidson 26 Well (API 30-025-34196).

2. This case involves the application of Gandy Corporation for authorization to dispose of produced salt water into the Abo and the Permo-Pennsylvanian formations in a 2,200 foot interval from 8,900 feet to 11,000 feet in its Albacore 25 Com Well No. 1 (API 30-025-37054) located 130 feet from the South line and 1350 feet from the West line of Section 25, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

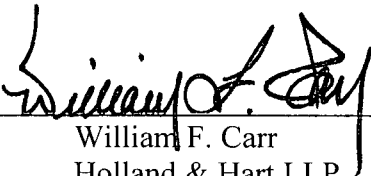
3. V-F Petroleum operates offsetting wells and has objected to the application.
4. Mud logs are interpretative in nature and contain proprietary information. It has long been the practice of the Division to not allow operators to obtain mud logs from other operators by use of the Division's subpoena power.
5. The burden of proof in this case falls on Gandy Corporation to establish that its proposed injection into 2,200 feet of formation will not damage this reservoir or an offsetting V-F Petroleum Well located approximately one-half mile from the proposed injection well.
6. In fact, Gandy Corporation has its own mud logs over the intervals of interest and there is nothing substantively that the production of the proprietary interpretations of V-F Petroleum, Inc. would add to the hearing.

### **CONCLUSION**

The mud logs that Gandy Corporation seeks by Oil Conservation Division Subpoena are proprietary interpretations and are not necessary for Gandy to be able to present its case in support of this application for authorization to inject. V-F Petroleum, Inc. therefore moves the Division to quash the subpoena.

Respectfully Submitted:

Holland & Hart LLP



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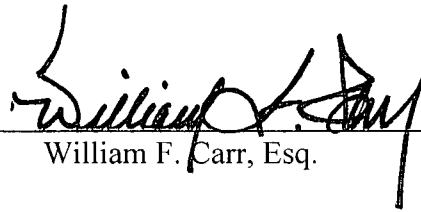
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**ATTORNEYS FOR V-F PETROLEUM, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 4th day of June, 2009, I have caused to be delivered by Facsimile a copy of the **Motion to Quash Subpoena** in the above mentioned case to the following counsel of record:

Charles N. Lankins, Esq.  
Domenici Law Firm  
320 Gold Ave., SW  
Suite 1000  
Albuquerque, New Mexico 87102-3228  
(505) 883-5260  
(505) 884-3424 Facsimile



William F. Carr, Esq.