

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

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

**APPLICATION OF GILLESPIE-CROW, INC.
FOR UNIT EXPANSION, STATUTORY
UNITIZATION, AND QUALIFICATION OF
THE EXPANDED UNIT AREA FOR THE
RECOVERED OIL TAX RATE AND
CERTIFICATION OF A POSITIVE PRODUCTION
RESPONSE PURSUANT TO THE "NEW MEXICO
ENHANCED OIL RECOVERY ACT,"
LEA COUNTY, NEW MEXICO.**

No. 11724

**SUPPLEMENTAL MEMORANDUM IN SUPPORT
OF MOTION TO COMPEL**

COME NOW, YATES PETROLEUM CORPORATION ("Yates") and HANLEY
PETROLEUM, INC. ("Hanley") through their attorneys, Campbell, Carr, Berge & Sheridan,
P. A., and in support of their Motion to Compel state:

1. On February 18, 1997, Yates and Hanley obtained a Subpoena Duces Tecum
from the Division directed to Gillespie-Crow, Inc. Paragraph 19 of the subpoena sought the
production of:

"All data utilized in the determination of the outer boundary
(zero Production limit) of the West Lovington-Strawn
Pool/Unit."

2. In response to this subpoena, Gillespie-Crow, Inc. wrote Yates and Hanley on March 17, 1997 and stated:

“As to Item 19 of the subpoena (data used to determine the outer boundary of the unit), **that data is in the possession of Platt, Sparks.** Gillespie-Crow used their interpretation as modified by new well control to set the proposed new unit boundaries.”
(Emphasis added)

3. Platt, Sparks are the consultants that represented Snyder Ranches Ltd. and Larry Squires at the original OCD hearing on this proposed unit. Accordingly, in response to the Gillespie-Crow letter, Yates and Hanley obtained a Subpoena Duces Tecum on March 31, 1997, directed to Snyder Ranches seeking:

“All data utilized in the determination of the outer boundary (zero production limit) of the West Lovington Strawn Pool/Unit.”

4. On April 1, 1997, Snyder Ranches filed a Motion to Quash Subpoena. On page 3 of this Motion, **Snyder identifies “The data used by Snyder in Case 11195 which is sought by this subpoena.”** In 12 numbered paragraphs Snyder identifies the data that Hanley and Yates need to prepare their case as specifically set out in the subpoena. Snyder then states **“Yates has subpoenaed the wrong party”** and says:

“Gillespie-Crow Inc, is the owner of the other requested “non-public” data which is the confidential business information and the trade secrets of Gillespie-Crow, Inc.”

5. Gillespie-Crow Inc. and their partners have been studying this reservoir since at least November 1994 when they undertook a geologic study of the proposed unit area.

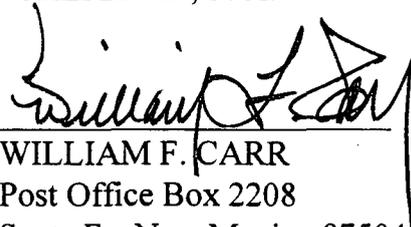
Yates and Hanley have been trying to prepare an accurate oil in place study of this reservoir since early 1997. Their efforts to prepare an accurate oil in place study are thwarted on every turn by the games being played by Gillespie-Crow.

6. Snyder Ranches has identified the data that was used to define the unit boundary. Yates and Hanley seek that information through a Division Subpoena. It is time for the Division to order Gillespie-Crow to produce this information.

WHEREFORE, Yates Petroleum Corporation and Hanley Petroleum, Inc. request that the Division grant this motion and compel Gillespie-Crow, to produce the information covered by Paragraph 19 of the February 18, 1997 Subpoena Duces Tecum.

Respectfully submitted,

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& SHERIDAN, P. A.

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