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RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 2, 1997

**VIA FACSIMILE AND HAND DELIVERY**

William J. LeMay, Director  
Michael E. Stogner, Hearing Examiner  
Rand Carroll, Esq. Division Attorney  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

*Re: NMOCD Case 11792  
Application of Doyle Hartman  
to terminate the Myers Langlie-Mattix  
Waterflood Program, and other relief,  
Lea County, New Mexico*

Gentlemen:

On behalf of OXY USA Inc. I am replying to Mr. Condon's letter delivered to you on May 27, 1997 on behalf of Doyle Hartman and to Hartman's request for a Commission hearing.

First, Oxy objects to Hartman's editorial comments and mis-characterizations of OXY's Motion to Dismiss but has no objection to allowing Hartman until Monday, June 9, 1997 in which to file a response with the Division provided OXY also has an additional period following June 9th in which to reply to Mr. Hartman's response. Because of Mr. Hartman's request and in order to provide the Division with sufficient time to rule on these matters, it is obvious that it is too optimistic to expect that an evidentiary hearing can be commenced on June 30th. There is no point in wasting time and energy preparing to hear issues which should be disposed of by granting Oxy's Motion to Dismiss. We suggest that the Division vacate that evidentiary hearing and instead use that date for a Division's hearing on the Motion to Dismiss.

Second, OXY objects to Hartman's untimely attempt to abandon the Division's hearing process which he requested and to his belated attempt to have this matter heard by the Commission. Oxy believes that it is premature to have the Commission hear this case.

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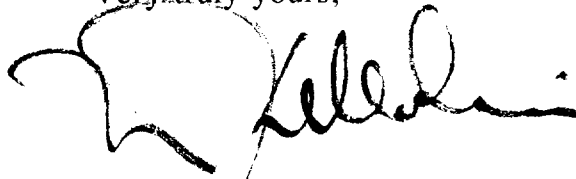
As you know, the Division has not had to adopt elaborate discovery rules and procedures because it has successfully relied on its Examiner's hearing process to provide that discovery opportunity.

At the Division hearing, all parties are afforded an opportunity to examine the other parties' case, to present their evidence and to cross examine witnesses. That has effectively substituted for the elaborate and expensive discovery process Hartman has requested in this case in which prior to hearing he seeks to depose witnesses, obtain answers to Interrogatories and the production of documents.

Now, Hartman wants to abandon this long established Division practice and have the Commission rewrite special discovery procedures for himself.

Instead of rewriting the procedures for Mr. Hartman, we suggest that we continue with the Division Examiner hearing process which Hartman originally requested on April 28, 1997 and which was docketed by the Division as NMOCD Case 11792.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

cc: Michael J. Condon, Esq.  
Attorney for Doyle Hartman  
cc: Michael E. Campbell, Esq.  
William F. Carr, Esq.  
Greg Curry, Esq.  
Patricia A. Patten, Esq.  
Attorneys for OXY USA Inc.  
cc: OXY USA Inc. (Midland)  
Attn: Richard C. Foppiano