

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

**APPLICATION OF GETTY OIL COMPANY
FOR STATUTORY UNITIZATION, LEA
COUNTY, NEW MEXICO.**

CASE NO. 6987

**APPLICATION OF DOYLE HARTMAN,
TO GIVE FULL FORCE AND EFFECT TO
COMMISSION ORDER R-6447, TO REVOKE
OR MODIFY ORDER R-4680-A, TO
ALTERNATIVELY TERMINATE THE MYERS
LANGLIE-MATTIX UNIT.**

**REQUEST FOR HEARING BY THE
FULL OIL CONSERVATION COMMISSION**

Doyle Hartman, Oil Operator ("Hartman"), pursuant to Rule 1216(A)(2) of the Rules and Regulations of the Oil Conservation Division ("Division"), hereby requests that the New Mexico Oil Conservation Commission ("Commission") set this matter for a full Commission Hearing without a preliminary hearing before a Division hearing examiner. In support of this request, Hartman would show that a full Commission hearing would conserve administrative resources as well as the resources of the parties. As grounds for this request, Hartman would show as follows:

1. The Myers Langlie-Mattix Unit was statutorily unitized in Case No. 6987 by Order R-6447 issued August 27, 1980. Order R-6447 was entered after a hearing before the full Commission, which applicant Getty Oil Company, through its counsel William F. Carr, requested in its Application.
2. Order R-6447 granted Getty's request for statutory unitization of the MLMU and approved the MLMU Unit Agreement and Unit Operating Agreement "as

revised.” That Order approved the entire MLMU for statutory unitization under the New Mexico Statutory Unitization Act. A copy of Order R-6447 is attached hereto as Exhibit A.

3. By letter dated January 5, 1981, Joe D. Ramey on behalf of the Commission wrote William F. Carr confirming that Order R-6447 unitized “all interests in the Myers Langlie-Mattix Unit Area, Lea County, New Mexico.” A copy of Mr. Ramey’s letter is attached hereto as Exhibit B.¹ There is no evidence in the file that Mr. Carr wrote back to Mr. Ramey indicating that his characterization of unitization of “all interests” by Order R-6447 was incorrect.

4. In around January, 1994, Oxy assumed operatorship of the MLMU. Prior to November, 1994, Oxy did not know of or recognize the existence of Order R-6447. Oxy filed an Application in November, 1994 in Case No. 11168 with the Division requesting expansion of the MLMU and qualification of a 760-acre section of the MLMU under the Enhanced Oil Recovery Act. That Application does not reference or identify Order R-6447 in violation of then-existing Division Order R-9708.

5. Since 1994, Oxy has operated the MLMU in violation of Order R-6447, in particular by failing to acknowledge and recognize the right of a working interest owner to go non-consent with respect to unit operations and become a carried interest with his or her share of costs payable out of production. See Order R-6447, ¶ (21)(d), p. 5. Oxy has taken the position in correspondence with Mr. Hartman that Hartman does not have the right to go non-consent with respect to unit operations. See

¹ Given his personal knowledge of events regarding Case No. 6987, Mr. Carr will be a witness in this proceeding. His representation of Oxy in this proceeding is in violation of Rule 16-307(A) of the New Mexico Rules of Professional Conduct and will be the subject of a Motion to Disqualify.

letter dated August 19, 1994 from Oxy to Hartman, a copy of which is attached hereto as Exhibit C.

6. Hartman seeks in this Application to have Commission Order R-6447 recognized and given full force and effect. Oxy has recently filed a Motion to Dismiss. Hartman will file a full brief responding to the various misrepresentations, omissions and half-truths which Oxy advances in support of its argument. In any event, this matter promises to be hotly contested by both sides, and there is a virtual certainty that, if this matter were to be initially heard by the Division, one or both parties would appeal for a de novo hearing before the full Commission as authorized by Rule 1220 of the Division's Rules and Regulations.

7. Division Rule 1216(A)(2) provides that the Division Director, in his discretion, can order hearing on any matter be held before the full Commission. An initial full Commission hearing in this matter would conserve administrative resources, as well as the resources of the parties, and prevent parties and the administrative agencies from preparing for and presenting two (2) full evidentiary hearings on the matters at issue in Hartman's Application and Oxy's Motion to Dismiss.

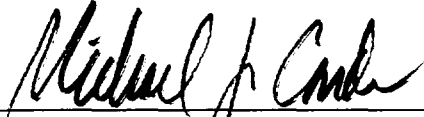
8. One of the issues presented by Hartman's Application involves the manner and method by which Order R-4680-A, entered March 31, 1995 in Case No. 11168, came to contain an 1,800 psi surface injection pressure limitation for new injection wells, given Division Order WFX No. 460, which contains a 900 psi injection pressure limitation for MLMU injection wells absent the operator establishing that "higher pressure will not result in fracturing of confining strata." No evidence supporting an 1,800 psi surface injection pressure was introduced during the December 15, 1994

hearing. Michael Stogner, the hearing examiner in Case No. 11168, will be a witness in this action concerning the manner and method by which the 1,800 psi surface injection pressure limitation came to be authorized. Given Mr. Stogner's position as a hearing examiner with the Division, a full Commission hearing on the issues presented by Hartman's Application would be appropriate and avoid any conflict of interest or appearance of impropriety in these proceedings.

WHEREFORE, based upon the foregoing points and authorities, Hartman respectfully requests that this matter be set for a full Commission hearing on Hartman's Application and all related motions filed by the parties.

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By 

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CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing
a Request for Hearing by the Full Oil Conservation Commission to be mailed on this
27th day of May, 1997 to the following counsel of record:

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