

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF OCEAN ENERGY RESOURCES,
INC. FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT, LEA COUNTY, NEW MEXICO.

No. 12450

RESPONSE AND OBJECTIONS TO SUBPOENA DUCES TECUM
AND MOTION TO QUASH SUBPOENA DUCES TECUM

Ocean Energy Resources, Inc. ("Ocean") submits this response to the subpoena duces tecum (the "subpoena") obtained from the Division by Yates Petroleum Corporation ("Yates").

I. RESPONSE AND OBJECTIONS.

Ocean objects to the subpoena on the following grounds:

- A. The subpoena has not been properly served upon Ocean, and the undersigned attorney for Ocean has not accepted service thereof.
- B. Division regulations require production of documents only at a hearing. Since the production date on the subpoena (July 24, 2000) is not a hearing date, the subpoena is improper.
- C. Ocean's attorney received the subpoena on July 21, 2000. Thus, there has been insufficient time to respond to the subpoena.
- D. The subpoena is overly broad and unduly burdensome.
- E. The subpoena improperly requests confidential and proprietary data.

Without waiving the above objections, and those set forth specifically below, Ocean responds as follows to the items set forth in Exhibit "A" to the subpoena:

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OIL CONSERVATION DIV.

(1) Decision to drill: See reserve calculations attached hereto as Exhibit 1.

(2) Townsend No. 5 data: Objection: The data (i) was presented at the hearing in Case No. 12401, and (ii) is public information available to Yates. Without waiving objections, the current producing rate is approximately 150 BOPD. See also Exhibit 2 attached hereto.

(3) Production data: Objection: The data (i) was presented at the hearing in Case No. 12401, and (ii) is public information available to Yates. Without waiving objections, Ocean will submit to Yates the most current production data which is not available to Yates. Cumulative production through July 16, 2000 is 299,838 BO and 642,681 MCF.

(4) Overproduction data: Objection: The data is publicly available, and has been presented at the hearing in Case No. 12401. Without waiving objections, cumulative production through July 16, 2000 is 299,838 BO and 642,681 MCF.

(5) Volumetric calculations: Ocean has not made calculations on all porosity pods in the pool. See Exhibit 1 for calculations on the Townsend No. 5.

(6) Damage to well: See testimony presented at the hearing in Case No. 12401, and Exhibit 2.

(7) Mapping: Objection: Compiling all mapping ever done by Ocean is unduly burdensome, and there is insufficient time to compile such data. Without waiving objections, See Exhibit 3

submitted by Ocean at the hearing in Case No. 12401, and Exhibit 1 attached hereto.

(8) Seismic data: Objection: (i) Interpretations are the confidential and proprietary data of Ocean, (ii) presenting all mapping ever done by Ocean is unduly burdensome, and there is insufficient time to compile such data, and (iii) Yates has the same raw seismic data as Ocean, and can prepare its own maps. Without waiving objections, See Exhibit 3 submitted by Ocean at the hearing in Case No. 12401, which incorporated seismic data. In addition, Ocean is preparing exhibits for submission at the hearing in Case 12450, and they will be given to Yates at that time.

(9), (10), & (11) Geologic and engineering studies and exhibits: Objection: (i) Studies are the confidential and proprietary data of Ocean, (ii) presenting all studies ever done by Ocean is unduly burdensome, and there is insufficient time to compile such data, and (iii) the Division does not require parties to produce exhibits to opposing parties in advance of a hearing. Without waiving objections, see Exhibits 1 and 2 attached hereto, and evidence presented in Case No. 12401.

II. MOTION TO QUASH.

Ocean requests that the subpoena be quashed based upon the matters set forth in paragraphs A-E above, and in the alternative that it not be required to produce (a) publicly available data, (b) data already in Yates' possession, (c) exhibits Ocean may use at

the upcoming hearing, (d) confidential and proprietary data, (c) all studies prepared by Ocean regarding the South Big-Strawn Pool.

WHEREFORE, applicant requests that the subpoena be quashed.

Respectfully submitted,



James Bruce
Post Office Box 1056
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(505) 982-2043

Attorney for Ocean Energy Resources,
Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was hand delivered this 24th day of July, 2000 to Michael H. Feldewert, Campbell, Carr, Berge & Sheridan, P.A., 101 North Guadalupe, Santa Fe 87501.



James Bruce

Townsend State No. 5

Reserve Calculation

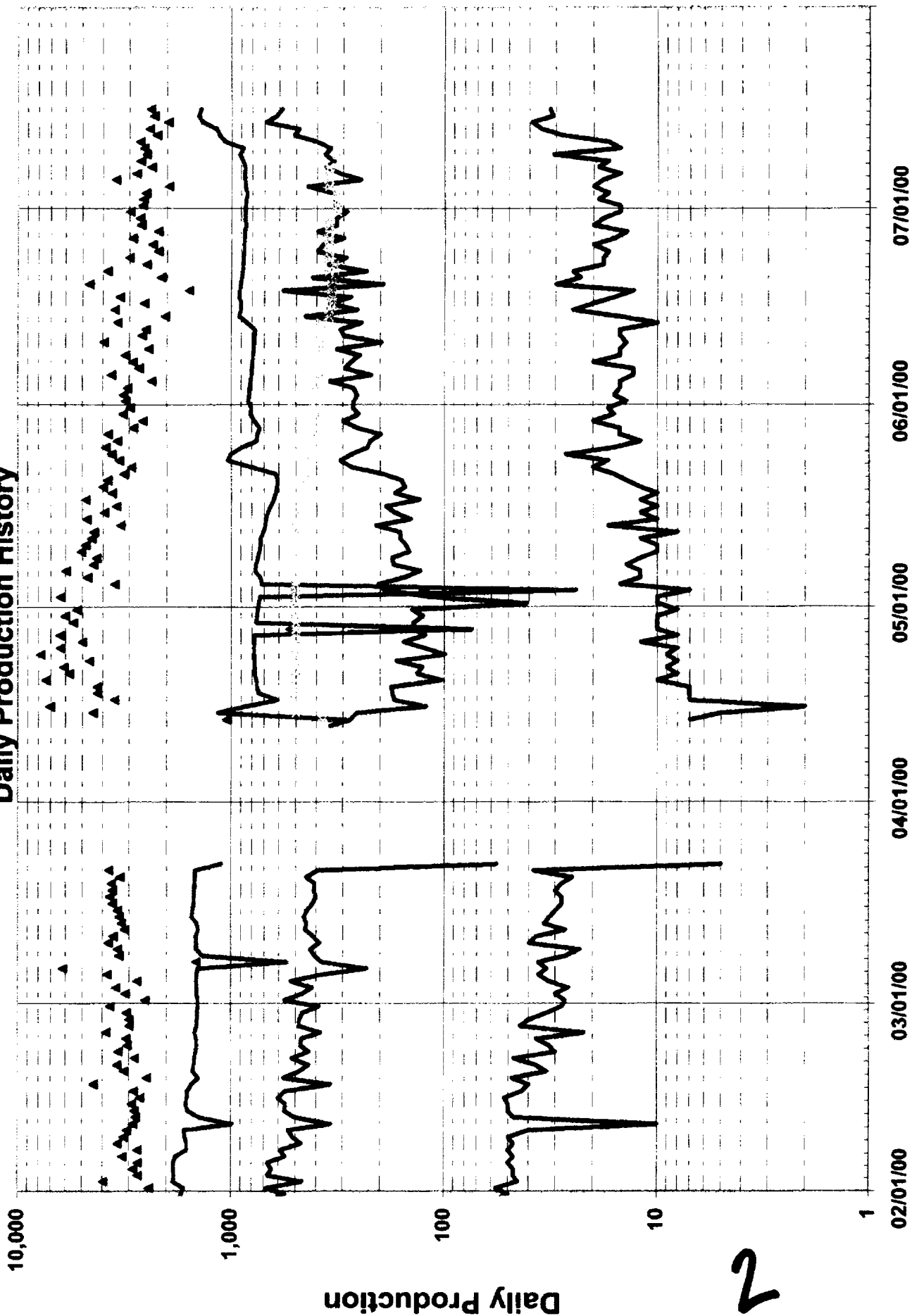
Porosity	8%
Water Saturation	20%
Reservoir Volume	4,100 ac-ft
Bo @ Pi = 4100 psi	1.487

$$\text{Oil in Place} = \frac{7,758 * 4,100 * 8\% * (1-20\%)}{1.487} = 1.37 \text{ MMBO}$$

Recovery Factor	EUR, MBO
30%	411
40%	548
50%	685

Townsend State 5

Daily Production History



— BOPD — MCFPD ▲ GOR — BWPD

**Townsend State No.5
MER Testing Summary**

Average Daily Rate

BOPD	MCFD	GOR
149	691	4,638
287	842	2,934
339	870	2,566
577	1297	2,248