



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

February 5, 2003

Lori Wrotenberg
Director
Oil Conservation Division

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New Mexico Oil Conservation Division
Attn: David K. Brooks
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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Re: Case No. 13,004: Application of the New Mexico Oil Conservation Division, through the Environmental Bureau Chief, for an order determining the responsible party or parties and ordering the responsible party or parties to conduct Division-approved corrective action with respect to a hydrocarbon release; Lea County, New Mexico.

Dear Messrs. Hall, Owen, Kellahin, and Brooks:

Reference is made to: (i) Mr. Hall's motion dated January 28, 2003, on behalf of Shall Exploration and Production Company, to continue the above-referenced case set for a Division examiner hearing February 6, 2003 to a special hearing date of March 6, 2003; and (ii) Mr. Owen's similar motion dated January 30, 2003, on behalf of Samedan Oil Corporation, to continue this case to April 10, 2003. This case will be continued to the regularly scheduled **March 13, 2003** Examiners Hearing. Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
Case File 13,004
Florene Davidson - NMOCD, Santa Fe
Kathy Valdes - NMOCD, Santa Fe

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January 30, 2003
VIA FACSIMILE

Ms. Lori Wrotenbery
Director, Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: *NMOCD Case No. 13004; Application of the New Mexico Oil Conservation Division, Through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Conduct Division-Approved Corrective Action With Respect to a Hydrocarbon Release; Lea County, New Mexico.*

Dear Ms. Wrotenbery:

This matter is set for hearing next Thursday, February 6, 2003. Today I entered an appearance on behalf of Samedan Oil Corporation.

Yesterday I received the request from Shell Exploration and Production Company for a four week continuance. That Motion is based on the fact that this case may be fairly complicated, and the parties, including the Division, need time to compile, develop, and assess the facts and prepare their cases. Samedan agrees with Shell in that if this matter cannot be resolved, it will take significant time to compile and develop the facts necessary for a presentation to the Division.

Samedan has proposed that the parties meet to discuss whether this matter can be resolved short of additional action from the Division. The parties are involved in discussions between in-house counsel to assess whether that is a feasible option in this case. If a meeting is scheduled, it will take some time to determine whether or not this matter can be resolved.

I have discussed the proposed course of action with counsel for Shell, counsel for Oxy, counsel for the Division, and the Division's Environmental Bureau Chief and staff. All are amenable to a continuance in this case.

Although Samedan agrees with Shell's request for a continuance, Samedan hereby requests that the continuance be granted until April 10, 2003 (for four examiner hearings instead of two). If

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you feel that a scheduling conference is requested, Samedan will be happy to comply.

We look forward to working with the Division on this matter.

Very truly yours,



Paul R. Owen

cc: Arnold J. Johnson, Esq. (via facsimile)
J. Scott Hall, Esq. (via facsimile)
W. Thomas Kellahin, Esq. (via facsimile)