

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue
Santa Fe, New Mexico 87501
Telephone No. 505 • 983 • 6686
Telefax No. 505 • 986 • 0741

November 23, 1993

MARY E. WALTA*

HAND DELIVERED

Office of Hearing Examiner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

NOV 29 1993

RE: Case No. 10882
Application of James C. Brown, Trustee, and Bayshore Production Co.

Dear Examiner:

We represent Doyle Hartman, Oil Operator ("Hartman") in the above-referenced matter, which is presently docketed for hearing on December 2, 1993. For reasons beyond Hartman's control, Hartman did not receive notice of the Application and hearing in this matter until yesterday, November 22, 1993. Hartman intends to participate in any hearing on this matter. However, due to the delayed receipt of notice, Hartman will not have time to adequately prepare for the December 2nd hearing. As your office has previously been advised, Hartman's involvement in a trial in Texas in January would make a January hearing date difficult as well. Consequently, Hartman requests that the December 2nd hearing date be continued to the February docket.

Hartman has contacted counsel for Applicants regarding a continuation of the hearing date. A copy of this letter has been forwarded to Applicant's counsel as well.

Thank you for your assistance on this matter.

Very truly yours,

GALLEGOS LAW FIRM, P.C.

By 
MARY E. WALTA

MEW:ap

cc: Doyle Hartman
Carolyn Sebastian
Thomas Kellahin
James Bruce
ioc: J.E. Gallegos
Beverly Simcoe

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

November 24, 1993

VIA TELEFAX
(505) 827-5741

Mr. Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: NMOCD Case 10882
Application of James C. Brown, Trustee, and
Bayshore Production Co. Ltd to vacate and void
Division Administrative Orders NSP-1632(L)(SD) and
NSP-1633(L), Lea County, New Mexico

OPPOSITION TO REQUEST FOR CONTINUANCE

Dear Mr Stogner:

Yesterday, Mr. Doyle Hartman's attorney hand delivered to your office a request for a continuance in the referenced case which I filed on behalf of James C. Brown. Today, by regular mail I received a copy of that request.

As I advised Ms. Walta yesterday, my client, James C. Brown, strenuously opposes any continuance of this case which is pending hearing on December 2, 1993.

For your information and in compliance with New Mexico Oil Conservation Division notice rules, the notice of the December 2, 1993 hearing to Mr. Hartman was posted and sent certified mail-return receipt on November 8, 1993 which is more than 20 days prior to the hearing.

Oil Conservation Division
November 24, 1993
Page 2.

The fact that Mr. Hartman may be involved in litigation elsewhere is no excuse for allowing this case to be delayed until it is convenient for him to attend to it. Mr. Hartman is often involved in litigation and should be capable of handling a Division hearing concurrently with those other matters.

Accordingly, we request that you deny Mr. Hartman's request for a continuance and allow this case to proceed to hearing on December 2, 1993.

Very truly yours,



W. Thomas Kellahin

cc: James Bruce, Esq.
cc: James C. Brown
cc: Mary E. Walta, Esq.

FIFTH JUDICIAL DISTRICT
COUNTY OF LEA
STATE OF NEW MEXICO

DOYLE HARTMAN and)
MARGARET M. HARTMAN,)

Plaintiffs,)

v.)

No. CV 93-483J

AMERADA HESS CORP., *et al.*,)

Defendants.)

**ANSWER AND COUNTERCLAIM
TO COMPLAINT TO QUIET TITLE**

COME NOW, Defendants Bayshore Production Co., Limited Partnership, James C.

Brown and wife Laura G. Brown, trustee, individually and as co-trustee, Rufus Gordon "Pete" Clay, as co-trustee, William C. Couch, as co-trustee, Evelyn Clay O'Hara, individually and as trustee, CME Oil & Gas, Inc., Nancee Stevens Boyce and husband John William Boyce, Roma Jean Henson, Cynthia Mart Walker Spillar, Benny Lynn Stone, Johnny Paul Stone, Linda Kay Walker Winter, and Jerry Ann Walker Wynn (collectively Bayshore/Brown), and for their Answer and Counterclaim to the Complaint, state:

I. ANSWER

1. Bayshore/Brown admit paragraphs 1, 2, 3, 5, 6, 8, 9, 12, 13, and 18 of the Complaint.
2. Bayshore/Brown are without knowledge or information sufficient to form a belief as to the truth of paragraphs 4, 7, 10, 11, 14, 15, 16, 17, and 25 of the Complaint, and therefore deny the same.

3. Answering paragraph 19 of the Complaint, Bayshore/Brown admit the United States owns a royalty interest in the S½N½ of Section 7. Bayshore/Brown are without knowledge or information as to all other allegations contained in paragraph 19 and, therefore, deny the same.

4. Bayshore/Brown deny paragraphs 20 and 22 of the Complaint.

5. Paragraphs 20, 21 and 24 each contain the phrase ". . . property described in paragraph 13". No property is described in paragraph 13. Bayshore/Brown assume a typing error, and that plaintiffs intended to refer to paragraph 18.

6. Answering paragraph 21 of the Complaint, Bayshore/Brown admit that the property described in paragraph 18 was and is communitized. Bayshore/Brown deny any implication as may be contained in paragraph 21 that the N½ of Section 7 is no longer communitized, and affirmatively state that the Communitization Agreement remains in effect. All other allegations as may be contained in paragraph 21 are denied.

7. Answering paragraph 23 of the Complaint, Bayshore/Brown admit that defendants are owners of working or royalty interests of varying proportions in the oil and gas lease covering the N½N½ of Section 7, but deny that defendants' ownership of hydrocarbons is confined to the N½N½ of Section 7, and affirmatively state that defendants are entitled to their proportionate share of gas and condensate produced from the S½N½ of Section 7, as to depths from the surface to 3,850 feet beneath the surface, pursuant to the Communitization Agreement. All other allegations as may be contained in paragraph 23 are denied.

8. Answering paragraph 24 of the Complaint, Bayshore/Brown admit that defendants make a claim of right, title or interest in and to the property described in paragraph 18 of the Complaint and to the gas and condensate produced or producible from such acreage, but deny that the claims

of defendants are null, without merit, and groundless or cast an unwarranted cloud on the title of plaintiffs. All other allegations as may be contained in paragraph 24 are denied.

9. Bayshore/Brown deny all allegations of the Complaint which are not specifically admitted.

AFFIRMATIVE DEFENSES

10. Plaintiffs' action is barred by the doctrine of estoppel.

11. Plaintiffs' action is barred by the doctrine of waiver.

12. Plaintiffs' action is barred by laches.

13. Plaintiffs should be barred from seeking relief due to their unclean hands.

14. Plaintiffs' action is barred by the doctrines of acceptance of benefits and ratification.

15. Plaintiffs' action is barred inasmuch as Plaintiffs' own actions, taken in bad faith or in breach of fiduciary duties, created Plaintiffs' action.

16. Plaintiffs' action is barred by the statute of frauds.

WHEREFORE, having fully answer the Complaint, Bayshore/Brown pray that the Complaint be dismissed with prejudice and that Bayshore/Brown recover their costs herein and that Bayshore/Brown be awarded such other relief as may be just and proper.

II. COUNTERCLAIM

Bayshore/Brown, for their counterclaim against Plaintiffs/Counterdefendants Doyle Hartman and Margaret M. Hartman (the Hartmans), state:

JURISDICTION AND VENUE

1. This Counterclaim involves agreements affecting real property located in Lea County, and Counterclaimants and Counterdefendants own real property interests in the property described in paragraph 2 below, and thus jurisdiction and venue are proper in this Court.

GENERAL ALLEGATIONS

2. The oil and gas mineral interests underlying the N½ of Section 7, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as to dry gas and condensate produced from the surface to a depth of 3,850 feet beneath the surface, are subject to the Communitization Agreement which is identified in paragraph 21 of the Complaint.

3. From 1949 to the present there has been continuous production from the N½ of Section 7 as required by the Communitization Agreement. In the alternative, the N½ of Section 7 has been and is currently capable of producing hydrocarbons as required by the Communitization Agreement, and any failure to so produce hydrocarbons was due solely to the acts or omissions of the Hartmans in their capacity as operator, as set forth below.

4. The interests subject to the Communitization Agreement are also subject to a Joint Operating and Accounting Agreement (the JOA), as amended, which was entered into October 25, 1948. Bayshore/Brown assert, upon information and belief, that the Hartmans have in their possession a copy of the JOA; if not, Bayshore/Brown hereby offer to provide the Hartmans with a copy thereof.

5. The JOA provides that the operator shall: (a) "carry on all operations and development" on the subject property; and (b) "have full control and shall conduct and manage the development and production of the gas and/or condensate" from the subject property. The JOA, by its express terms, contemplates development of the S½N½ of Section 7 as well as the N½N½ of Section 7. The JOA provides that it shall be effective as long as the Communitization Agreement remains in effect.

6. On December 27, 1948, Conoco Inc. (formerly Continental Oil Company) commenced drilling, and on January 19, 1949 completed, its Stevens B-7 Com. No. 1 Well in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 7 as a producing gas well in the Yates and Seven Rivers formations of the Langmat Pool; these formations are now part of the Jalmat Gas Pool pursuant to order of the New Mexico Oil Conservation Division (OCD). The Jalmat Gas Pool is located within the depths covered by the Communitization Agreement and JOA. The NW $\frac{1}{4}$ of Section 7 was subsequently dedicated to the Stevens B-7 Com. No. 1 Well.

7. On or about September 1, 1989, the Hartmans acquired Conoco Inc.'s interest in the N $\frac{1}{2}$ of Section 7 and became operator of the four existing wells located thereon, which are identified as follows:

- (a) The Stevens B-7 Com. No. 1 Well (located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$);
- (b) The Stevens B-7 Com. No. 13 Well (located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$);
- (c) The Stevens B-7 Com. No. 2 Well (located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$); and
- (d) The Stevens B-7 Com. No. 21 Well (located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$).

8. As of March 7, 1991, the Stevens B-7 Com. No. 1 Well (located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$) was still dedicated to a 160-acre spacing and proration unit, consisting of the NW $\frac{1}{4}$ of Section 7, for production from the Jalmat Gas Pool.

9. From 1949 to the present, the oil and gas interest owners in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7 shared Jalmat Gas Pool production from the Stevens B-7 Com. No. 1 Well, located in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7, with the oil and gas interest owners in the S $\frac{1}{2}$ N $\frac{1}{2}$ of the section.

10. On or about March 7, 1991, the Hartmans recompleted the Steven B-7 Com. No. 13 Well, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 7, into the Jalmat Gas Pool, and established production in paying quantities therefrom.

11. A proposal for the recompletion of the Stevens B-7 Com. No. 13 Well was never submitted by the Hartmans to the working interest owners in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7 as required by the JOA. Furthermore, since the well's recompletion, the Hartman's have attempted to exclude the interest owners in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7 from receiving their proportionate share of Jalmat Gas Pool production from said well, as set forth below.

12. On or about May 29, 1991, the Hartmans filed an administrative application with the OCD seeking to terminate the existing 160-acre Jalmat Gas Pool spacing unit consisting of the NW $\frac{1}{4}$ of Section 7, and to substitute therefor two non-standard spacing and proration units, as follows:

- (a) The S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7 for the Stevens B-7 No. 13 and No. 2 Wells; and
- (b) The N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7 for the Stevens B-7 No. 1 Well.

The Hartmans failed to give notice of the application to the interest owners in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7.

13. Without prior notice to the interest owners in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7, the OCD granted the Hartmans' administrative applications and issued the following orders:

- (a) Administrative Order NSP-1632(L)(SD) for the S $\frac{1}{2}$ N $\frac{1}{2}$ of said Section 7; and
- (b) Administrative Order NSP-1633(L) for the N $\frac{1}{2}$ N $\frac{1}{2}$ of said Section 7.

14. Bayshore/Brown have applied to the OCD to vacate the above administrative orders (Case No. 10,882 on the OCD's docket).

15. Despite demand, the Hartmans have failed to honor their obligations under the Communitization Agreement and JOA and have failed to pay to Bayshore/Brown their rightful share of Jalmat Gas Pool production from the Stevens B-7 Com. No. 13 Well.

COUNT I - DECLARATORY JUDGMENT

16. Bayshore/Brown incorporate paragraphs 1 through 15 of the Counterclaim by reference.

17. An actual controversy exists among Bayshore/Brown and the Hartmans, and Bayshore/Brown are entitled to declaratory relief pursuant to NMSA (1978), §§ 44-6-1, *et seq.* as to their rights under the Communitization Agreement and JOA.

WHEREFORE, on Count I of the Counterclaim, Bayshore/Brown pray for the Court to enter its Order:

(a) Declaring that the Communitization Agreement and JOA are in full force and effect;

(b) Declaring that the procedural due process rights of Bayshore/Brown were violated by issuance of the non-standard gas proration unit orders; and

(c) Awarding compensatory damages, including legal fees, incurred by Bayshore/Brown in setting aside the OCD's non-standard proration unit orders.

**COUNT II - BREACH OF CONTRACT,
BREACH OF THE DUTY OF GOOD FAITH
AND FAIR DEALING, AND PUNITIVE DAMAGES**

18. Bayshore/Brown incorporate paragraphs 1 through 15 of the Counterclaim by reference.

19. The Hartmans have a duty, as operator, to take reasonable, prudent action to maintain production in paying quantities from the N½ of Section 7, including proposing drilling new wells or re-working existing wells to establish and/or maintain production. Such reasonable proposals were never made by the Hartmans to the working interest owners under the JOA.

20. The acts of the Hartmans described herein were in bad faith.

21. Due to the above-described acts and omissions, the Hartmans have breached their contractual obligations under the Communitization Agreement and JOA, have breached their duty of good faith and fair dealing, and have attempted to bolster said breaches by obtaining the non-standard gas proration unit orders without notice to Bayshore/Brown in violation of procedural due process.

22. The acts of the Hartmans have been intentional, wanton, and reckless, and in complete disregard of the rights of Bayshore/Brown, entitling Bayshore/Brown to an award of punitive damages.

23. Bayshore/Brown are entitled to recover their reasonable attorney's fees pursuant to the JOA.

WHEREFORE, on Count II of the Counterclaim, Bayshore/Brown pray for the Court to enter its Order:

(a) Adjudging the Hartmans in breach of the Communitization Agreement and JOA, awarding compensatory damages therefor in an amount to be determined at trial, and awarding reasonable attorney's fees to Bayshore/Brown incurred in protecting their interests in the joint property, as provided for in the JOA; and

(b) Adjudging the Hartmans in breach of their duty of good faith and fair dealing, and awarding Bayshore/Brown punitive damages in an amount to be determined at trial.

COUNT III - ACCOUNTING AND MONEY DUE

24. Bayshore/Brown incorporate paragraphs 1 through 23 of the Counterclaim by reference.

25. Pursuant to the JOA, the Hartmans, as operator, have a duty to account to the working interest owners.

26. Pursuant to the Communitization Agreement and the JOA, Bayshore/Brown are entitled to their proportionate share of production proceeds from the Stevens B-7 Com. No. 13 Well.

WHEREFORE, on Count III of the Counterclaim, Bayshore/Brown pray for the Court to enter its Order:

(a) Requiring the Hartmans to account to Bayshore/Brown for the total amount and value of production from the Stevens B-7 Com. No. 13 Well since its recompletion to the Jalmat Gas Pool on March 7, 1991; and

(b) Awarding Bayshore/Brown their proportionate share of production proceeds from the Stevens B-7 Com. No. 13 Well, together with pre-judgment interest on the amounts due as provided by NMSA (1978), § 56-8-4 (1993 Cum. Supp.).

**COUNT IV - OIL GAS AND
GAS PROCEEDS PAYMENT ACT**

27. Bayshore/Brown incorporate paragraphs 1 through 26 of the Counterclaim by reference.

28. Bayshore/Brown are legally entitled to a proportionate share of production proceeds from the Stevens B-7 Com. No. 13 Well, but have not been paid their share of proceeds by the Hartmans within the time required by NMSA (1978), § 70-10-3 (1993 Cum. Supp.).

29. The addresses of Bayshore/Brown have been known to the Hartmans since they became operator of the subject property.

30. Bayshore/Brown hereby offer to execute reasonable division orders acknowledging their proper interests in the Stevens B-7 Com. No. 13 Well.

31. Bayshore/Brown are entitled to interest on the amounts due them, together with their attorney's fees, as provided by NMSA (1978), §§ 70-10-1, *et seq.* (1993 Cum. Supp.).

WHEREFORE, on Count IV of the Counterclaim, Bayshore/Brown pray for the Court to enter its Order:

(a) Awarding them their proportionate shares of production proceeds from the Stevens B-7 Com. No. 13 Well since its recompletion to the Jalmat Gas Pool, together with interest thereon at the statutory rate; and

(b) Awarding Bayshore/Brown their reasonable attorney's fees.

FURTHERMORE, as to Counts I through IV of the Counterclaim, Bayshore/Brown pray for the Court to award them their costs and to grant such other and further relief as the Court deems proper.

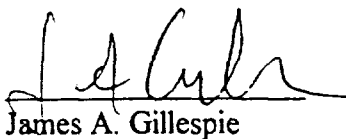
HINKLE, COX, EATON, COFFIELD & HENSLEY



James A. Gillespie
Post Office Box 10
Roswell, New Mexico 88202
(505) 622-6510
Attorneys for Bayshore/Brown

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Answer and Counterclaim to Complaint to Quiet Title was mailed to J. E. Gallegos, Esq., 141 E. Palace Avenue, Santa Fe, New Mexico 87501, and Don Maddox, Esq., 220 West Broadway, Hobbs, New Mexico 88241, this 18th day of November, 1993, by first-class mail, postage prepaid.



James A. Gillespie

FIFTH JUDICIAL DISTRICT
COUNTY OF LEA
STATE OF NEW MEXICO

FIFTH JUDICIAL DISTRICT
LEA COUNTY NEW MEXICO
FILED IN THIS OFFICE

93 OCT 18 PM 2:25

Jenie G. Hernandez
CLERK OF THE DIST. COURT

DOYLE HARTMAN and MARGARET
M. HARTMAN,

Plaintiffs,

vs.

Cause No. CV93-483J

AMERADA HESS CORP., a Delaware corporation;
BAYSHORE PRODUCTION COMPANY,
an Oklahoma limited partnership; JAMES C. BROWN and his
wife Laura G. Brown, trustee, individually and as co-trustee;
NANCEE STEPHENS BOYCE and her husband John William Boyce;
MONTE SU DODD BOND, individually and as Executrix
of the Estate of Greg Dodd, deceased; RUFUS GORDON
"PETE" CLAY, as co-trustee; TIMOTHY D. COLLIER;
WILLIAM C. COUCH, as co-trustee; MILLER DANIEL,
if living, if deceased his Unknown Heirs;
MICHAEL ALAN HUNTINGTON; VERA JEAN
HUNTINGTON JINKINS; ROMA JEAN HENSON;
ALICE JONES; JACQUE JONES, if living, if deceased
his Unknown Heirs; JERRY D. JONES; NATIONSBANK
OF TEXAS, N.A., a national banking corporation, as trustee;
KEN PERKINS OIL & GAS, INC., a Texas corporation;
EVELYN CLAY O'HARA, individually and as trustee;
CME OIL & GAS, INC., a Texas Corporation;
BRIAN M. SIRGO and his wife Suzanne Sirgo;
M.A. SIRGO III and his wife Kay Sirgo;
BELINDA JONES SMITH and her husband Jim Myers Smith;
CYNTHIA MART WALKER SPILLAR, BENNY LYNN STONE; JOHNNY
PAUL STONE; TEXAS COMMERCE BANK-SAN ANGELO, N.A.,
a national banking corporation, as trustee; TEXAS COMMERCE
TRUST COMPANY, N.A., a national banking corporation,
as trustee; LINDA KAY WALKER WINTER;
JERRY ANN WALKER WYNN; DE'ANN JONES YARBROUGH;
UNKNOWN HEIRS, if any, of the foregoing and
UNKNOWN CLAIMANTS OF INTEREST, if any.

Defendants.

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GALLEGOS LAW FIRM P.C.

COMPLAINT TO QUIET TITLE

Plaintiffs Doyle Hartman and Margaret M. Hartman for their claims state:

JURISDICTION AND VENUE

1. This is an action to quiet title to real estate within the State of New Mexico pursuant to NMSA 1978 Section 42-6-1, et seq.

2. Venue in Lea County is proper in that the ownership of the oil and gas leasehold, which is the subject of this action, is located in Lea County, New Mexico.

IDENTIFICATION OF PARTIES

3. Doyle Hartman and Margaret M. Hartman, husband and wife, are individuals who are residents of Dallas County, Texas, and conduct business in New Mexico as owners and operators of oil and gas properties.

4. Amerada Hess Corp. is a Delaware corporation with its principal place of business in Woodridge, New Jersey, doing business in New Mexico and having a statutory agent for service of process in this state.

5. Plaintiffs allege on information and belief that defendant Bayshore Production Co., Limited Partnership, is an Oklahoma limited partnership, with the principal place of business of its managing partner being in Denver, Colorado.

6. James C. Brown and his wife Laura G. Brown, are joined individually, as trustee and as co-trustee for the Rufus Gordon "Pete" Clay Trust and Margaret Couch Trust.

7. Plaintiffs allege on information and belief that the defendant Monte Sue Dodd Bond is the executrix of the estate of Greg Dodd, deceased, and is joined individually and in that capacity.

8. Rufus Gordon "Pete" Clay is joined as successor co-trustee for the Rufus Gordon "Pete" Clay Trust.

9. William C. Couch is joined as successor co-trustee for the Margaret Couch Trust.

10. Plaintiffs allege on information and belief that the defendant NationsBank of Texas, N.A. is a national banking corporation with its principal place of business in Dallas, Texas; this institutional defendant is joined only in its capacity as personal representative of the estate of Vivian Jones, deceased, and in its capacity as trustee for the Betty Raster Trust #6015 and McCleskey Children's Trust #6016.

11. Plaintiffs allege on information and belief that the defendant Ken Perkins Oil & Gas, Inc. is a Texas corporation with its principal place of business in Kingsville, Texas.

12. Evelyn Clay O'Hara is joined individually and as trustee for the Evelyn Clay O'Hara Trust.

13. Plaintiffs allege on information and belief that defendant CME Oil & Gas Corp. is a Texas corporation with its principal offices in Midland, Texas.

14. Plaintiffs allege on information and belief that defendant Texas Commerce Bank - San Angelo, N.A., is a national banking corporation, with its principal place of business in San Angelo, Texas; Texas Commerce Bank - San

Angelo, N.A.. is joined as a defendant only in its capacity as trustee for John O. Boyle Jr. Trust, Noel C. Warwick Trust, Oleta Perkins Boyle Trust, William C. Wright Trust, W.V. Leftwich Trust, Brenda Ronaldson Trust, Dorothy Emelia RomansonHabura Trust, Robert G. Wright Trust and Dorothy Boyle Trust.

15. Plaintiffs allege on information and belief that defendant Texas Commerce Trust Company, N.A., is a national banking corporation with its principal place of business in Houston, Texas; this institutional trustee is joined as defendant only in its capacity as trustee for the Hubert E. Clift Trust and Jeanette E. Clift George Trust.

16. The remaining named defendants are natural persons who are joined as individuals in their own right.

17. The Plaintiffs allege on information and belief that there may be other persons, living or deceased, and other entities that are successors in interest, assignees or personal representatives of the named defendants whose identities are not now known to the plaintiffs; those parties are joined herein as "Unknown Claimants of Interest" and "Unknown Heirs", and if any of them become known they will be more particularly joined herein.

CLAIM FOR RELIEF

18. The plaintiffs are the owners of 100% of the operating rights and working interest in United States of America oil and gas lease LC 030556(B) insofar as it covers the following real estate in Lea County, New Mexico, from the surface of

the earth to 3,850 below the surface, as to both oil and casinghead gas rights as well as dry gas and condensate rights,

Township 23 South, Range 37 East, N.M.P.M.

Section 7: Lot 2; SE/4NW/4; S/2NE/4
(equivalent to S/2N/2)
comprising 157.51 acres more or less

19. The right, title and interest of the plaintiffs in and to the property above-described is subject to a 12.5% royalty interest of the United States of America plus a 2.5% cumulative total overriding royalty interest owned in varying portions by individuals not parties hereto.

20. Other than the foregoing royalty interests totalling 15% of the whole, the plaintiffs' right, title and interest in and to the property described in Paragraph 13. above is free, clear and exclusive of any claim, interest, encumbrance or cloud in favor of or claimed by the defendants, and each and every one of the defendants, or any heir, successor or assign of any of the defendants.

21. During a period of time in the past, the property described in Paragraph 13. was communitized for purposes of development and operation of gas and/or condensate with an oil and gas leasehold covering the N/2N/2 of Section 7 in Township 23 South, Range 37 East N.M.P.M., comprising 157.44 acres more or less. That communitization of the two oil and gas leaseholds covering the equivalent of the N/2 of said Section 7 was accomplished by that certain Communitization Agreement which was entered into September 20, 1948 by the owners of the oil and gas rights under the applicable lands. The said Communitization Agreement was recorded in the

office of the Clerk of Lea County on March 14, 1949 at Book 44, Page 205.

22. Several years ago, the communitization of the oil and gas leases under the Communitization Agreement terminated and ceased by the terms of the said agreement as a result of the active gas well situated on said acreage (the Stevens B-7 Com. No. 1, completed January 27, 1949), reaching a stage of depletion such that the volume of gas and condensate production from the Stevens B-7 Com No. 1 was no longer producing in paying quantities, i.e., the production from the well was non-commercial.

23. The defendants are owners of working interests or royalty interests of varying portions in the oil and gas lease underlying the acreage constituting the equivalent of the N/2N/2 of said Section 7; that is, the defendants' ownership is confined to the 157.44 acre tract which was formerly joined with the plaintiffs' 157.51 acre tract (S/2S/2 of said Section 7) under the September 20, 1948 Communitization Agreement.

24. Plaintiffs are informed and believe that some or all of the defendants make a claim of right, title or interest in and to the plaintiffs' property described in Paragraph 13. and in and to the gas and condensate produced or producible from such acreage; the claims of ownership so made by the defendants, and each and every one of them, adverse to the title of plaintiffs are null, without merit, and groundless and cast an unwarranted and vexatious cloud on the title of plaintiffs.

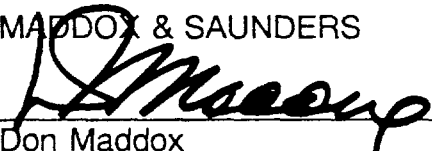
25. The plaintiffs have made due search and inquiry to ascertain

whether there are persons other than the defendants who make claim adverse to the estate of the plaintiffs and to ascertain whether any person named as a party defendant is living or dead. As a result of such inquiry, the named defendants have been joined and identified. All unknown persons claiming any lien, interest or title adverse to the plaintiffs are joined as "Unknown Claimants of Interest" and persons as to whom there is uncertainty whether they are living or dead are made defendants by their name if living and if deceased by joining "Unknown Heirs" of said persons.

WHEREFORE the plaintiffs pray judgment in their favor and against the defendants establishing the plaintiffs' estate against each and every adverse claim of the defendants, and that the defendants be forever barred and estopped from having or claiming any lien upon or any other right or title to the subject premises adverse to the plaintiffs, and that plaintiffs' title thereto be forever quieted and set at rest; that in addition the plaintiffs recover their costs of suit and have such further relief as appears proper.

GALLEGOS LAW FIRM, P.C.
J. E. Gallegos
141 E. Palace Avenue
Santa Fe, NM 87501
(505) 983-6686

MADDOX & SAUNDERS


Don Maddox
220 West Broadway
Hobbs, NM 88241
(505) 393-0505

Attorneys for plaintiffs, Doyle
Hartman and Margaret M. Hartman

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<input type="checkbox"/> Registered	<input type="checkbox"/> Insured	<input type="checkbox"/> Custom (Over \$500)	<input checked="" type="checkbox"/> Letter	<input checked="" type="checkbox"/> Flat
<input checked="" type="checkbox"/> Certified	<input type="checkbox"/> COD	<input type="checkbox"/> Ret Rcpt for Mktg	<input type="checkbox"/> Parcel	<input type="checkbox"/> Hold
<input type="checkbox"/> Recorded Delivery Service (International only)			<input type="checkbox"/> Restricted Delivery	
<input type="checkbox"/> Special Delivery		<input type="checkbox"/> Priority Mail	ZIP of Origin <u>81504</u>	
Final Invoice		Return Date	Amount Due \$	
Customer or Agent Signature (Print)		Addressee Name (Print)		
any visible damage?		Address		
Delivered by Date		Received by		

☐ Left With Residential Unit Manager

PICK UP AT:
DOWNTOWN STATION
100 E WALL
MON - FRI 8:00AM - 5:00PM
Thank you, we appreciate your business.

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue
Santa Fe, New Mexico 87501
Telephone No. 505 • 983 • 6686
Telefax No. 505 • 986 • 0741



J.E. GALLEGOS

November 29, 1993

HAND DELIVERED

Mr. David Catanach
Examiner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
State Land Office
Santa Fe, New Mexico 87501

RE: Application of James C. Brown, Trustee and Bayshore Production
Co. Case No. 10882

Dear Examiner Catanach:

This is in follow-up to the letter of Mary E. Walta of this firm dated November 23, 1993 and our brief phone conversation this morning.

First, I enclose a copy of the certified mail receipt form proving that Doyle Hartman did not receive notice of the December 2, 1993 Examiner Hearing in this matter until November 22, 1993. Rule 1207(b) of this Commission's rules require notice ". . . be given at least 20 days prior to the date of hearing. . . ." Learned counsel for the applicant takes the position (though the Rule contains no such wording) that the twenty days runs from giving the notice to the Post Office. The logical extension of that would be that if an interested party did not receive the notice until the day of the hearing or even after the hearing, the Rule would be satisfied. That is hardly the objective behind Due Process requirements imposed upon the Commission.

Next, the issues sought to be raised by the applicant before this administrative body are already the subject of a judicial proceeding by the applicants' own action. Enclosed please find a copy of the Complaint to Quiet Title filed by Doyle Hartman and Margaret Hartman in Lea County Cause No. CV 93-483J on October 20, 1993. Due to cessation of production in paying quantities an old Communitization Agreement terminated and Hartmans seek to quiet title to their mineral interest in the S/2 N/2 of Section 7 T-23-S, R-37-E against claims such as those of the applicants in this

Mr. David Catanach
November 29, 1993
Page 2

docket. Bayshore, Brown, et al., have filed an Answer and Counterclaim in the Lea County case. A copy is enclosed. In that pleading, particularly under Count I, they have requested that the state court pass on the efficacy of Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), precisely the orders they seek reviewed here.

We submit that Case No. 10882 should clearly be continued from the December 2, 1993 hearing, at least, for lack of adequate notice. Whether the application should be dismissed or stayed due to the pendency of the state court action which has inclusive jurisdiction of all interested parties, of all issues and of the subject matter (real estate in Lea County, New Mexico), will be the subject of a formal motion.

Please phone if you wish for me to come to your offices to discuss this matter with you and opposing counsel.

Very truly yours,

GALLEGOS LAW FIRM, P.C.

By 
J. E. GALLEGOS

JEG:evm

Enclosure

cc: W. Thomas Kellahin, Esq. (via fax w/o enclosures)
James Bruce, Esq. (via fax w/o enclosures)
Don Maddox, Esq.
Doyle Hartman
Carolyn Sebastian

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2205

SANTA FE, NEW MEXICO 87504-2205

W. THOMAS KELLAHIN

NEW MEXICO BOARD OF LEGAL REGULATION
REGISTERED SPECIALIST IN THE AREA OF
NATURAL RESOURCES AND EAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 962-4205
TELEFAX (505) 962-2047FACSIMILE COVER SHEET

DATE: November 24, 1993 NUMBER OF PAGES: 3
(including cover sheet)
TIME: 1:37am
TO: Michael E. Stogner FROM: W. Thomas Kellahin, Esq.
OF: Oil Conservation Division SPECIAL INSTRUCTIONS:
FAX NO: 505-827-5741

RE: Opposition to request for
continuance NMOCD Case 10882

URGENT
FOR YOU INFORMATION
FOR YOUR REVIEW
FOR YOUR APPROVAL
FOR YOUR REPLY
PER YOUR REQUEST

MESSAGE:

A HARD COPY XXXX WILL WILL NOT FOLLOW BY U.S. MAIL.

The information contained in this Facsimile Message and Transmission is ATTORNEY PRIVILEGED AND CONFIDENTIAL information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this Facsimile Transmission in error, please immediately notify us by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

November 24, 1993

VIA TELEFAX
(505) 827-5741

Mr. Michael E. Stogner
Chief Hearing Examiner
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: NMOCD Case 10882
Application of James C. Brown, Trustee, and
Bayshore Production Co. Ltd to vacate and void
Division Administrative Orders NSP-1632(L)(SD) and
NSP-1633(L), Lea County, New Mexico

OPPOSITION TO REQUEST FOR CONTINUANCE

Dear Mr Stogner:

Yesterday, Mr. Doyle Hartman's attorney hand delivered to your office a request for a continuance in the referenced case which I filed on behalf of James C. Brown. Today, by regular mail I received a copy of that request.

As I advised Ms. Walta yesterday, my client, James C. Brown, strenuously opposes any continuance of this case which is pending hearing on December 2, 1993.

For your information and in compliance with New Mexico Oil Conservation Division notice rules, the notice of the December 2, 1993 hearing to Mr. Hartman was posted and sent certified mail-return receipt on November 8, 1993 which is more than 20 days prior to the hearing.

Oil Conservation Division
November 24, 1993
Page 2.

The fact that Mr. Hartman may be involved in litigation elsewhere is no excuse for allowing this case to be delayed until it is convenient for him to attend to it. Mr. Hartman is often involved in litigation and should be capable of handling a Division hearing concurrently with those other matters.

Accordingly, we request that you deny Mr. Hartman's request for a continuance and allow this case to proceed to hearing on December 2, 1993.

Very truly yours,



W. Thomas Kellahin

cc: James Bruce, Esq.
cc: James C. Brown
cc: Mary E. Walta, Esq.

NY-4-93 WFD 13:35

505 982 2047 D 03

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

DEC -

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

CASE NO.: 10882

APPLICATION OF JAMES C. BROWN, TRUSTEE,
AND BAYSHORE PRODUCTION CO.,
LIMITED PARTNERSHIP, TO VACATE
AND VOID DIVISION ADMINISTRATIVE
ORDERS NSP-1632(L)(SD) AND NSP-1663(L),
LEA COUNTY, NEW MEXICO.

**SPECIAL APPEARANCE FOR
MOTION TO DISMISS APPLICATION OF JAMES C. BROWN, TRUSTEE,
AND BAYSHORE PRODUCTION CO., LIMITED PARTNERSHIP,
TO VACATE AND VOID DIVISION ADMINISTRATIVE ORDERS
NSP-1632(L)(SD) AND NSP-1633(L),
LEA COUNTY, NEW MEXICO, OR ALTERNATIVELY,
TO STAY CONSIDERATION OF APPLICATION PENDING
FINAL JUDGMENT IN CIVIL ACTION NO. 93-483J,
LEA COUNTY, NEW MEXICO**

The respondents, Doyle and Margaret Hartman, dba Doyle Hartman, Oil Operator, ("Hartman"), appearing specially by and through its attorneys, Gallegos Law Firm, P. C., hereby moves the New Mexico Oil Conservation Division to dismiss the Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to Vacate and Void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico, or, Alternatively, to Stay Consideration of the Application Pending Final Judgment in Civil Action No. 93-483J, Lea County, New Mexico.

In support thereof, Hartman states as follows:

1. On September 1, 1989 Hartman became operator of four existing wells, Stevens B-7 Com No. 1 Well, Stevens B-7 Com No. 13 Well, Stevens B-7 Com No. 2 Well and Stevens B-7 Com No. 21 Well, all located in the N/2 of Section 7, T23S, R37E, Lea County, New Mexico.

2. The four wells are located upon acreage which had previously been communitized under the terms of a September 20, 1948 Communitization Agreement entered into between predecessors in interest to Hartman and the Applicants. The lands covered by the Communitization Agreement were oil and gas leaseholds covering the equivalent of the N/2 of said Section 7. The affected leases were United States of America oil and gas lease, LC 030556(B) covering approximately 157.3 acres, Lot 2, SE/4NW4; S/2NE4 (equivalent to S/2N/2) of Section 7 and the approximate 157.3 acre fee lease, Arthur D. and Illa Richards Lease, covering the N/2N/2 of Section 7.

3. Hartman is the owner of 100% of the operating rights and working interest in Lease No. LC 030556(B). The Applicants are working interest owners in the Richards Lease. Hartman obtained its ownership in September 1989 from Conoco Inc. and became the operator.

4. Under the provision of the Communitization Agreement, the term of the agreement was one year and so long thereafter as communitized substance "is produced from any part of said communitized area in paying quantities."

5. Under the terms of the Communitization Agreement, the Agreement was not effective until approval by the Secretary of Interior. The Communitization Agreement was approved by the Department of Interior's United States Geological Survey, predecessor to the Bureau of Land Management, on December 8, 1948.

6. From 1948 to early 1991, the only producing well dedicated to the approximately 315 acre communitized acreage was the Stevens B-7 Com No. 1 located on the Richards lease in the NW/4NW/4 of Section 7.

7. As a result of low production levels, low gas pricing and a high percentage of unpaid joint interest billing accounts receivables, production of the Stevens B-7 Com No. 1 Well was no longer occurring in paying quantities and was unprofitable to Hartman as operator.

8. As a consequence of the cessation of production in paying quantities from the Stevens B-7 Com No. 1 Well, the Communitization Agreement expired by its terms. This was the circumstance existing as of the time Hartman purchased the stated rights in the federal lease from Conoco Inc.

9. On March 7, 1991, Hartman recompleted an abandoned oil well, the Steven B-7 Com No. 13 Well, located in the S/2N/2 of Section 7.

10. On May 29, 1991 Hartman made application to the NMOCD for administrative approval to create a 157.5 acre nonstandard Jalmat (Gas) proration unit consisting of Lot 2, SE/4NW/4, S/2NE/4 (S/2N2) of Section 7 and to simultaneously dedicate the Stevens B-7 No. 13 and Stevens B-7 No. 2 Wells to this unit and for a nonstandard location for the Stevens B-7 No. 13 Well.

11. On May 29, 1991, Hartman also made application for administrative approval to create a 157.4 acre nonstandard Jalmat (Gas) proration unit consisting of Lot 1, NE/4NW/4, N/2NE/4 (N/2N/2) of Section 7 and to dedicate the existing Stevens B-7 No. 1 Well to this unit.

12. Pursuant to the applicable rules of the NMOCD at that time Hartman gave notice of its May 29, 1991 applications by certified mail to all offset operators and operators owning interests in the quarter section in which the non-standard units are situated and which acreage is not included in the non-standard unit.

13. On August 21, 1991 the Director of the NMOCD issued Administrative Order NSP-1632(L)(SD) approving the May 29, 1991 application as to the nonstandard gas proration unit covering the S/2 N/2 of Section 7 and the dedication of the Unit to the unorthodox gas well locations, Stevens B-7 Well No. 13 and Stevens B-7 Com Well No. 7.

14. On August 21, 1991 the Director of the NMOCD also issued Administrative Order NSP-1633(L) approving the May 29, 1991 application as to the nonstandard gas proration unit covering the N/2 N/2 of Section 7 and the Dedication of the Unit to the Stevens B-7 Well No. 1.

15. On September 3, 1991 Hartman by certified mail notified all working interest and royalty interest owners of the issuance of Administrative Orders NSP-1632(L)(SD) and NSP-1633(L). At that time Hartman also informed these parties that the Communitization Agreement had terminated. A copy of the September 3, 1991 letter is attached hereto as Exhibit A. The Applicants were sent copies of the September 3, 1991 letter with the Administrative Orders enclosed.

16. On October 14, 1991 Hartman again wrote to all working interest and royalty interest owners explaining that the acreage covered by the terminated Communitization Agreement had been reconfigured into the two new non-standard Jalmat proration units as approved by the August 21, 1991 Administrative Orders. Hartman also tendered its resignation as operator of the Stevens B-7 Com No. 1 Well because it no longer had a substantial interest in it due to the reconfiguration or proposed, alternatively,

Motion to Dismiss

NMOCD Case No. 10882 - Page 3

abandonment of the Well in light of its non-commercial nature. A copy of the October 14, 1991 letter is attached hereto as Exhibit B. The Applicants were sent copies of the October 14, 1991 letter.

17. On October 21, 1992, at Hartman's request the Bureau of Land Management terminated its approval of the Communitization Agreement, effective August 21, 1991. A copy of the October 21, 1992 termination is attached hereto as Exhibit C.

18. On October 18, 1993, Hartman filed a quiet title action in State District Court, Lea County, New Mexico, Civil Action No. 93-483J captioned Doyle and Margaret Hartman v. Amerada Hess Corp., et al (hereinafter "Hartman Action"), against various defendants, including the Applicants.

19. The purpose of the Hartman Action is to quiet title in the S/2 N/2 of Section 7 as against adverse claims of title or interest by various parties including the applicants herein, and process has been served on all defendants.

20. The Applicants have both filed their Answer and Counterclaim in the Hartman Action claiming an interest in the S/2 N/2 of Section 7 by virtue of the 1948 Communitization Agreement, see Answer and Counterclaim attached hereto as Exhibit D, at ¶¶7-8.

21. In their Counterclaim the Applicants have specifically alleged that Hartman failed to give notice to them of the May 29, 1991 Application to create two new nonstandard proration units and that the Applicants have filed their Application with the NMOCD to vacate these orders. See Exhibit D, Counterclaim at ¶¶12-13.

22. In their Counterclaim, the Applicants have expressly requested that the Lea County District Court declare the Communitization Agreement in full force and effect, declare the Applicants rights to procedural due process were violated by issuance of the two August 21, 1991 Administrative Orders and award Applicants their damages incurred in setting aside the NMOCD's Administrative Orders. See Exhibit D at p. 7.

23. On December 7, 1993, in the Hartman Action, Hartman filed a Motion to Preliminarily Enjoin the Applicants from pursuing their Application in this proceeding. A hearing on Hartman's Motion is set for 9:00 A.M. on December 14, 1993. A copy of the Motion and brief in support thereof is attached hereto as Exhibit E.

24. The Application to Vacate the August 21, 1991 Administrative Orders should be dismissed based upon the following:

a. Under the rules and regulations of the NMOCD applicable to creation of a nonstandard proration unit the Applicants were not included within the definition of persons entitled to notice of application for a nonstandard proration unit. The Applicants, therefore, have no legal basis upon which to request Administrative Orders be vacated for lack of notice. See NMOCD Rules and Regulation, Rule 104, D.II, pp. C-6, C-7.

b. Even though Applicants are not entitled to Notice under NMOCD rules and regulations, the Applicants were provided actual notice of issuance of the Administrative Orders within the twenty day period provided by statute, NMSA 1978 §70-2-25A, for requesting a rehearing on the Applications. Applicants made no request for rehearing within the time provided.

c. The Application constitutes a request for rehearing over two years after issuance of the Administrative Orders. Under New Mexico law, the NMOCD has no statutory authority to rehear issuance of the Administrative Orders two years after issuance. NMSA 1978 §70-2-25A; Kennecott Copper Corp. v. Employment Security Comm., 78 N.M. 398, 432 P. 109 (1967); Armijo v. Save N'Gain, 108 N.M. 281, 771 P.2d 198 (App. 1989).

d. The Applicants, by their own admission, have no ownership interest in the acreage covered by Administrative Order NSP-1632(L)(SD) or the Stevens B-7 Well No. 13 and Stevens B-7 Com Well No. 2. Furthermore, the Applicants in no manner were adversely affected by either of the Administrative Orders. In fact, the Applicants' interests in the dedicated Stevens B-7 No. 1 Well were enhanced by the Administrative Orders. Thus, the Applicants have no standing whatsoever to request that the Administrative Orders be vacated. NMSA 1978 §70-2-25A.

e. To the extent that the Applicants contend or rely upon the existence of the 1948 Communitization Agreement for standing to vacate the Administrative Order, the Communitization Agreement has expired by its terms. The issue of whether the 1948 Communitization Agreement has expired by its terms is presently pending in the Hartman Action filed in Lea County District Court prior to the filing of the instant Application and the result of that decision is germane to the property rights and interests of many parties who are not participants in this proceeding. See Exhibit E, Brief in Support of Motion to Preliminarily Enjoin at pp. 5-9, which is incorporated herein by reference.

f. Jurisdiction to determine this issue lies exclusively in the Lea County District Court. An adjudication of the communitization termination issue is preliminary to the Applicants' standing to vacate the Administrative Orders. The NMOCD is itself without statutory authority to determine whether the Communitization Agreement has expired because the dispute is one involving private contract rights between the parties and does not involve the State of New Mexico. Hartman v. El Paso Natural Gas Co., 107 N.M. 679, 686, 763 P.2d 1144 (1988) citing Tenneco Oil Co. v. El Paso Natural Gas Co., 687 P.2d 1049, 1053-54 quoting Northern Pipeline Co. v. Marathon Pipeline Co., 458 U.S. 50 (1982). The NMOCD cannot, under the pretext of reconsidering the 1991 Administrative Orders, interfere with the jurisdiction of the District Court or prejudice the court proceeding by interpreting the Communitization Agreement nor can it attempt to do indirectly that which it has no direct statutory authority to do.

25. The Communitization Agreement by its terms requires approval of the Secretary of Interior to be effective. The Department of Interior withdrew its approval of the Communitization Agreement effective August 21, 1991. The NMOCD cannot, under the pretext of reconsidering the 1991 Administrative Orders, interfere with the actions of the Department of Interior in this regard.

26. Alternatively, the Application to Vacate the August 21, 1991 Administrative Orders should be stayed pending outcome of the District Court Litigation based upon the following:


a. In order for the Applicants to challenge the Administrative Orders, the Applicants must, as a preliminary matter, presently have enforceable legal rights under the 1948 Communitization Agreement. The extent of such rights is an issue to be determined by the litigation currently pending in the Lea County District Court. If Hartman prevails in the quiet title action, this administrative proceeding will be rendered moot. Until Hartman's and Applicants' respective rights in this regard are finally determined by the Lea County District Court, continuation of this proceeding constitutes an unwarranted expenditure of time and resources for both the NMOCD and the parties to it.

b. For the NMOCD to proceed in this matter while the Hartman Action is also pending risks the possibility of inconsistent or conflicting decisions as between the two, which will only aggravate the dispute between the parties and certainly will not resolve it.

c. There is no prejudice to the parties in staying this proceeding until a final judgment in the Hartman Action.

WHEREFORE the Respondents Doyle Hartman and Margaret Hartman, dba Doyle Hartman, Oil Operator, respectfully request that the NMOCD dismiss the Application in this proceeding, or, alternatively, stay this proceeding until a final judgment in Civil Action No. 93-483J, Lea County, New Mexico.

Submitted by:


J. E. GALLEGOS, Esq.
MARY E. WALTA, Esq.
GALLEGOS LAW FIRM, P. C.
141 East Palace Avenue
Santa Fe, New Mexico 87501
(505) 983-6686

Attorneys for Doyle and Margaret
Hartman, dba Doyle Hartman,
Oil Operator

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue
Santa Fe, New Mexico 87501
Telephone No. 505 • 983 • 6686
Telefax No. 505 • 986 • 0741

OIL CONSERVATION DIVISION
RECEIVED

'93 DEC 14 AM 7 02

MARY E. WALTA*

December 14, 1993

VIA TELECOPIER
HAND DELIVERED

W. Thomas Kellahin
117 N. Guadalupe
Santa Fe, New Mexico 87501

Case 10882

James Bruce
218 Montezuma
Santa Fe, New Mexico 87501

Re: In the Matter of the Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to Vacate and Void Division Administrative Orders NSP-1633(L) and NSP-1633(L)(SD), Lea County, New Mexico

Dear Messrs. Kellahin and Bruce:

Enclosed please find the Order for Preliminary Injunction entered by the Lea County District Court in Hartman v. Amerada Hess Corp., et al., Civil Action No. CV 93-483G, following this morning's hearing. Under the Order your clients James C. Brown, Trustee and Bayshore Production Co., Limited Partnership, are enjoined from further prosecuting their Application filed with the NMOCD, Case No. 10882, which Application is presently set for hearing on December 16, 1993. Please take whatever action is necessary to vacate the December 16, 1993 hearing date and to otherwise cease proceeding in Case No. 10882. By copy of this letter to the Hearing Examiner, we are notifying the NMOCD of the Court's action and our request to vacate the December 16th hearing date.

Very truly yours,

GALLEGOS LAW FIRM

By *Mary E. Walta*
MARY E. WALTA

MEW:sg

cc: Mike Stogner, Hearing Examiner, NMOCD
Doyle Hartman, Oil Operator

*Also admitted in Colorado

FIFTH JUDICIAL DISTRICT COURT
COUNTY OF LEA
STATE OF NEW MEXICO

FIFTH JUDICIAL DISTRICT
LEA COUNTY, NEW MEXICO
FILED IN MY OFFICE

93 DEC 14 AM 10:12

DOYLE HARTMAN and MARGARET M.
HARTMAN,

Janie G. Hernandez
CLERK OF THE DISTRICT COURT

Plaintiffs,

vs.

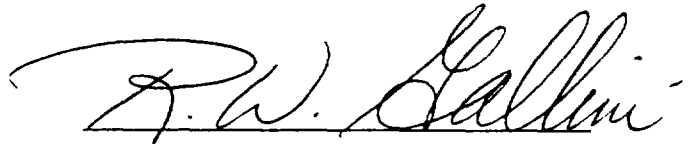
No. CV 93-483 G

AMERADA HESS CORP., a Delaware
corporation, et al,

Defendants.

PRELIMINARY INJUNCTION

This matter came on to be heard upon verified motion filed by the Plaintiffs and having heard the evidence, the Court preliminarily enjoins JAMES C. BROWN, trustee and BAYSHORE PRODUCTION CO., LIMITED PARTNERSHIP, their privies, agents, and employees from filing or prosecuting any other manner of actions or proceeding against the plaintiffs before the NMOCD, or in any other court or forum relating to any rights, claims or transactions that are the subject matter of this litigation.



DISTRICT JUDGE R. W. Gallini

93 DEC 14 AM 7 02

RECEIVED
OIL CONSERVATION DIVISION

10882

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

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

DEC - 9 1993

CASE NO.: 10882

APPLICATION OF JAMES C. BROWN, TRUSTEE,
AND BAYSHORE PRODUCTION CO.,
LIMITED PARTNERSHIP, TO VACATE
AND VOID DIVISION ADMINISTRATIVE
ORDERS NSP-1632(L)(SD) AND NSP-1663(L),
LEA COUNTY, NEW MEXICO.

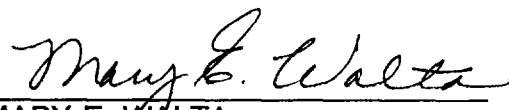
CERTIFICATE OF MAILING

I hereby certify that on December 9, 1993, a copy of Motion to Dismiss and Pre-Hearing Statement for the above referenced case, were mailed, Certified Mail - Return Receipt Requested, to the Applicants and interested parties listed below.

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
(Attorney for James C. Brown)

James G. Bruce, Esq.
Hinkle, Cox, Eaton, Coffield & Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(Attorneys for Bayshore Production Ltd., Partnership)

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(Attorneys for Amerada Hess Corporation)



MARY E. WALTA

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

DEC --

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

CASE NO.: 10882

APPLICATION OF JAMES C. BROWN, TRUSTEE,
AND BAYSHORE PRODUCTION CO.,
LIMITED PARTNERSHIP, TO VACATE
AND VOID DIVISION ADMINISTRATIVE
ORDERS NSP-1632(L)(SD) AND NSP-1663(L),
LEA COUNTY, NEW MEXICO.

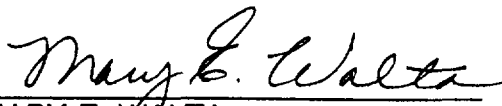
CERTIFICATE OF MAILING

I hereby certify that on December 9, 1993, a copy of Motion to Dismiss and Pre-Hearing Statement for the above referenced case, were mailed, Certified Mail - Return Receipt Requested, to the Applicants and interested parties listed below.

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
(Attorney for James C. Brown)

James G. Bruce, Esq.
Hinkle, Cox, Eaton, Coffield & Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(Attorneys for Bayshore Production Ltd., Partnership)

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(Attorneys for Amerada Hess Corporation)


MARY E. WALTA

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

December 22, 1993

VIA TELECOPY
(505) 986-0741

Mary E. Walta, Esq.
Gallegos Law Firm
141 East Palace Avenue
Santa Fe, New Mexico 87501

Re: New Mexico Oil Conservation Division Case 10882
Application of James C. Brown, Trustee, and
Bayshore Production Co., Limited Partnership to
Vacate and Void Division Administrative Orders NSP-
1632(L)(SD) and NSP-1633(L),
Lea County, New Mexico

Dear Mrs. Walta:

I have received your letter of December 21, 1993.
I resent your contention that my appearance before the
New Mexico Oil Conservation Division on Thursday,
December 16, 1993 constitutes a violation of a
preliminary injunction issued by Judge Gallini in Lea
County Case CV 93-483(G).

You should have appeared at the Division Hearing.
The fact that your client had obtained the District Court
Order did not excuse you from appearing before the
Division at the December 16, 1993 hearing.

Mr. Bruce and I have complied with the order of the
District Court which issued a preliminary injunction
precluding our respective clients from filing or
prosecuting at this time their case now docketed before
the Division.

Mary E. Walta, Esq.
December 22, 1993
Page 2

You have mis-characterized the District Court order. There is nothing in the order which requires us to dismiss the application nor were we precluded from appearing at the Division hearing. We were not constrained from responding to the Division's questions about the status of the case.

The Division is not a party to the District Court action and is not subject to this injunction. We were at the hearing to attend to other cases and were called upon by the Division for entries of appearances and for an explanation of the status of this case. I correctly informed the Division of the issuance of the preliminary injunction. We told the Division that we were requesting the Division to vacate the evidentiary hearing set for that day and to continue the case until the next docket so we could examine the jurisdictional issues involved in the injunction. We specifically continued the case in order not to be criticized by you for having "prosecuted" the Division case.

We are simply enjoined from proceeding at this time before the Division. Our appearances before the Division was for purposes of continuing the Division case to comply with the preliminary injunction. The continuance of the Division case complies with the District Court order. Your attempt to make that appearance into a violation of the Court Order is without merit.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the typed name. The signature is fluid and cursive, with a large initial 'W' and a long, sweeping underline.

W. Thomas Kellahin

cc: Judge R. W. Gallini
cc: Oil Conservation Division
cc: William F. Carr, Esq
cc: James Bruce, Esq.
cc: James Brown, Esq.

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue
Santa Fe, New Mexico 87501
Telephone No. 505 • 983 • 6686
Telefax No. 505 • 986 • 0741

MARY E. WALTA

December 21, 1993

Our File No. 91-1.51

VIA TELEFAX - 982-2047

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

VIA TELEFAX - 982-8623

James Bruca
Hinkle, Cox, Eaton, Coffield & Hensley
P. O. Box 2068
Santa Fe, New Mexico 87504-2068

Re: Application of James C. Brown, Trustee,
and Bayshore Production Company, Limited Partnership.
Case No. 10,882

Gentlemen:

On December 14, 1993 I telecopied and hand delivered to you both a copy of the Order for Preliminary Injunction entered by the Lea County District Court in Hartman v. Ameraca Hess Corporation, et al., Civil Action No. CV 93-483G, following a hearing that same day. While neither of you were personally present at the Lea County hearing, both of your clients were represented by James Gillespie, Mr. Bruce's associate at the Hinkle Firm. In my letter to you on December 14th, I informed you that under the Court's Order for Preliminary Injunction your clients, James C. Brown, Trustee, and Bayshore, were enjoined from further prosecuting their Application in Case No. 10882, set for hearing on December 16, 1993. I also requested that you take action to vacate the hearing date and to otherwise cease proceeding in the case.

I am now informed that despite the injunction issued against your clients and their agents, you both appeared on behalf of your clients at the December 16th hearing. From your remarks made at the hearing, it is clear that you understood that your clients were enjoined from proceeding with their Application. Nonetheless, you invited the OCD to proceed with the Application as an issue of importance to them and you further requested

*Also admitted in Colorado

December 21, 1993

Page Two

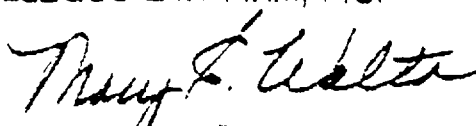
a continuance of two weeks for the hearing. Mr. Bruce also misrepresented to the Hearing Officer that the Court had enjoined the OCD and questioned its authority to do so. Your actions taken at the December 16th hearing constitute a further prosecution of Case No. 10882, in direct violation of the Court's Order of Preliminary Injunction. Once again, I am requesting that you and your clients cease and desist and that you either specifically request the OCD to stay consideration of the Application until the Order of Preliminary Injunction is lifted or withdraw the Application.

At your request a hearing is now set in this case for January 6, 1994. If your clients or you, as their attorneys, take any further actions to prosecute this matter, Hartman will not hesitate to move the Lea County Court for an Order to Show Cause and to seek sanctions against both your clients and their attorneys for violation of the Court's Order.

By copy of this letter to Judge Gallini, as well as the transcript of the December 16th hearing, I am informing the Court of the events which have transpired since issuance of the Order for Preliminary Injunction. If you have any questions regarding the matters set forth herein, please contact me.

Very truly yours,

GALLEGOS LAW FIRM, P.C.

By 
MARY E. WALTA

MEW:car

cc: Judge R. W. Gallini (w/enc.
Don Maddox
James Gillespie (w/enc.)
Doyle Hartman

ioc: JEG

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 1, 1994

HAND DELIVERED

FEB - 1 1994

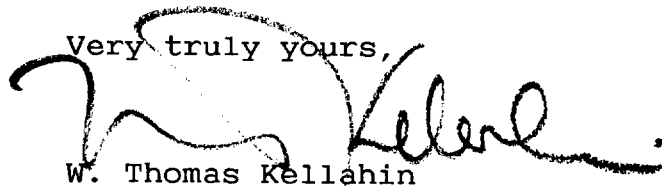
William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Re: NMOCD Case 10882
Application of James C. Brown, Trustee and
Bayshore Production Co., Limited Partnership,
to vacate and void Division Administrative Orders
NSP-1632(L)(SD) and NSP-1633(L),
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of James C. Brown and in compliance with
the preliminary injunction issued by Judge Gallini of the
Fifth Judicial District Court, Lea County, New Mexico, we
request the referenced case be continued from the
February 3, 1994 docket to the March 3, 1994 docket.

Very truly yours,



W. Thomas Kellahin

cc: James C. Brown
cc: James Bruce, Esq.
cc: William F. Carr, Esq.
cc: Mary E. Walta, Esq.

COPY to
BS + MS
2-1-94

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

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SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1901-1985)
W E BONDURANT, JR (1913-1973)
ROY C SNODGRASS, JR (1914-1987)

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W WOOD
RICHARD S. MORRIS

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
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ROSWELL, NEW MEXICO 88202

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MIDLAND, TEXAS 79702

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(806) 372-5569

FAX (806) 372-9761

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ALBUQUERQUE, NEW MEXICO 87103

(505) 768-1500

FAX (505) 768-1529

401 WEST 15TH STREET, SUITE 800

AUSTIN, TEXAS 78701

(512) 476-7137

FAX (512) 476-5431

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BRADLEY W. HOWARD
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MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
DARREN L. BROOKS
PAUL G. NASON
DARLA M. SILVA

March 2, 1994

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HAND DELIVERED

MAR 2 1994

William J. LeMay
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: **Case No. 10882, the Application of James C. Brown,
Trustee and Bayshore Production Co., Limited Partnership,
to Vacate Division Administrative Order**

Dear Mr. LeMay:

Please continue the above case for six (6) weeks.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

James Bruce

JB:jr

cc: W. Thomas Kellahin
Mary Wolta

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

January 3, 1994

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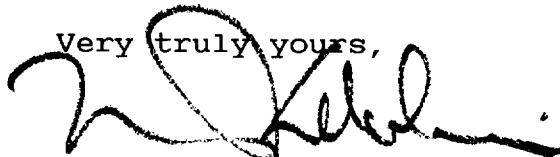
William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Re: NMOCD Case 10882
Application of James C. Brown, Trustee and
Bayshore Production Co., Limited Partnership,
to vacate and void Division Administrative Orders
NSP-1632(L)(SD) and NSP-1633(L),
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of James C. Brown and in compliance with
the preliminary injunction issued by Judge Gallini of the
Fifth Judicial District Court, Lea County, New Mexico, we
request the referenced case be continued from the January
6, 1994 docket to the February 3, 1994 docket.

Very truly yours,



W. Thomas Kellahin

cc: James C. Brown
cc: James Bruce, Esq.
cc: William F. Carr, Esq.
cc: Mary E. Walta, Esq.

HINKLE, COX, EATON, COFFIELD & HENSLEY

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ATTORNEYS AT LAW
218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4554
FAX (505) 982-8623

LEWIS C. COX, JR. (1924-1993)
ROY C. SNODGRASS, JR. (1914-1987)
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W. E. BONDURANT, JR. (1913-1973)

OF COUNSEL
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MACK EASLEY
JOE W. WOOD
RICHARD L. CAZZELL*
RAY W. RICHARDS**
L. A. WHITE**

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HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN
TOM D. STEPHENS
RONALD C. SCHULTZ, JR.

April 14, 1994

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ROSWELL, NEW MEXICO 88202
(505) 622-6510
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2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 BANK ONE CENTER
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 WEST 15TH STREET, SUITE 800
TEXAS MEDICAL ASSOCIATION BUILDING
AUSTIN, TEXAS 78701
(512) 476-7137
FAX (512) 476-5431

VIA HAND DELIVERY

APR 14 1994

Mr. William LeMay
New Mexico Oil Conservation Division
Energy, Minerals and Natural Resources Department
State Land Office Building
Santa Fe, New Mexico 87501

Re: Case No. 10,882 (James C. Brown, Trustee, et al.)

Dear Mr. LeMay:

Please continue Case No. 10,882, the Application of James C. Brown, Trustee, et al. to Vacate and Void Division Administrative Orders, until the second hearing in June. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

JB/bc

Enclosures

cc via facsimile transmission:

Mary Walta, Esq.
W. Thomas Kellahin, Esq.

HINKLE, COX, EATON, COFFIELD & HENSLEY

PAUL W. EATON
CONRAD E. COFFIELD
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ATTORNEYS AT LAW
218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 982-4554
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AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN
TOM D. STEPHENS
RONALD C. SCHULTZ, JR.

June 6, 1994

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(505) 622-6510
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MIDLAND, TEXAS 79702
(915) 683-4691
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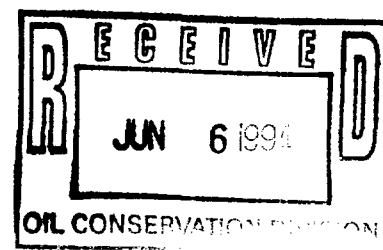
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AUSTIN, TEXAS 78701
(512) 476-7137
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VIA HAND DELIVERY

Mr. William J. LeMay, Chairman
New Mexico Oil Conservation Commission
Energy, Minerals and Natural Resources Department
State Land Office Building
Santa Fe, New Mexico 87501



Re: Case No. 10882, Application of Brown/Bayshore to Vacate
Administrative Orders, Lea County

Dear Mr. LeMay:

Please continue the above case to the September 1, 1994
Examiner hearing. For your information, there is ongoing
litigation in Lea County District Court regarding the subject
property which prevents this case being heard at this time.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce
James Bruce

JB/bc

cc: W. Thomas Kellahin, Esq.
Mary Walta
(via hand delivery)

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
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OF COUNSEL
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RICHARD L. CAZZELL* RAY W. RICHARDS*
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SCOTT A. SHUART*
PAUL G. NASON
CATHRYN MCCLANAHAN
R. "TREY" ARVIZU, III
AMY C. WRIGHT*

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MARK C. DOW
FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*
THOMAS E. HOOD**
REBECCA NICHOLS JOHNSON

August 31, 1994

HAND DELIVERED

Mr. William LeMay
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: **Case No. 10,882** (Application to Vacate Administrative Orders
NSP-1632(L) (SD) and NSP-1633(L), Lea County, New Mexico).

Dear Mr. LeMay:

Bayshore Production Co., Limited Partnership, requests that the above case be continued indefinitely. There is currently a district court injunction in place preventing the case from being heard, and thus no definite hearing date can be set.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce
James Bruce
Attorneys for Bayshore Production
Co., Limited Partnership

cc: W. Thomas Kellahin
Mary Walta

JGB/sp

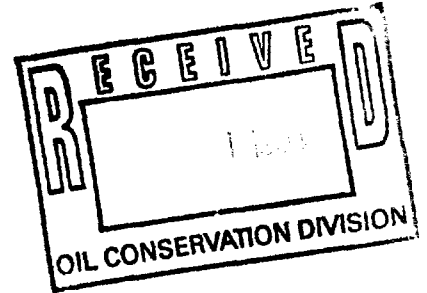
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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

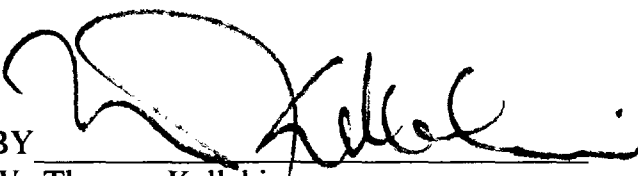
IN THE MATTER OF THE APPLICATION OF
JAMES C. BROWN, TRUSTEE, AND BAYSHORE
PRODUCTION CO., LIMITED PARTNERSHIP, TO
VACATE AND VOID DIVISION ADMINISTRATIVE
ORDERS NSP-1633(L) AND NSP-1633(L)(SD),
LEA COUNTY, NEW MEXICO

FEB 3

CASE: 10882

**MOTION TO DISMISS
A
PARTY OF RECORD**

Comes now JAMES C. BROWN, TRUSTEE, by and through his attorneys, KELLAHIN and KELLAHIN, and hereby withdraws his appearance as an applicant and as a party of record before the New Mexico Oil Conservation Division in NMOCD Case 10882 and requests that the Division enter its order dismissing James C. Brown, Trustee from this case with prejudice.



BY
W. Thomas Kellahin
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87504
ATTORNEYS FOR JAMES C. BROWN, TRUSTEE

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

**IN THE MATTER OF THE APPLICATION OF
JAMES C. BROWN, TRUSTEE, AND BAYSHORE
PRODUCTION CO., LIMITED PARTNERSHIP, TO
VACATE AND VOID DIVISION ADMINISTRATIVE
ORDERS NSP-1633(L) AND NSP-1633(L)(SD),
LEA COUNTY, NEW MEXICO**

FEB 3

CASE: 10882

**ORDER OF THE DIVISION
GRANTING
MOTION TO DISMISS A PARTY OF RECORD**

This matter having come before the Division upon the Motion of JAMES C. BROWN, TRUSTEE, by and through his attorneys, KELLAHIN and KELLAHIN, in which he withdraws his appearance as an applicant and as a party of record before the New Mexico Oil Conservation Division in NMOCD Case 10882 and requests that the Division enter its order dismissing James C. Brown, Trustee from this case with prejudice.

The Division Finds:

- (1) That it has jurisdiction over this matter and
- (2) That this motion should be granted.

IT IS ORDERED THAT:

Effective this February day of ~~January~~, 1995, James C. Brown, Trustee, is hereby dismissed, with prejudice, as a party and as an applicant in NMOCD Case 10882.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**WILLIAM J. LEMAY
Director**

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

January 27, 1995

Florene Davidson

Mr. ~~William J. LeMay~~

Oil Conservation Division

310 Old Santa Fe Trail *2040 S. Pacheco*

Santa Fe, New Mexico 87504

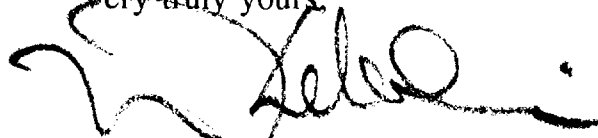
Re: *Application of James C. Brown, Trustee
and Bayshore Production Company to
Vacate and Void NMOCD Administrative
Orders NSP-1633(L) and NSP-1632(L)(SD),
Lea County, New Mexico*

FEB 3 1995

Dear Mr. LeMay:

On behalf of James C. Brown, Trustee, and Bayshore Production Company, please find enclosed our Motion and Proposed Order for allowing my client to withdraw from this case.

Very truly yours,



W. Thomas Kellahin

cc: *Mary E Walta, Esq.*

cc: *James Bruce, Esq.*

cc: *William F. Carr, Esq.*

cc: *James C. Brown, Esq.*

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF BAYSHORE PRODUCTION
CO., LIMITED PARTNERSHIP TO VACATE
AND VOID DIVISION ADMINISTRATIVE
ORDERS NSP-1632(L) (SD) AND NSP-1633(L),
LEA COUNTY, NEW MEXICO

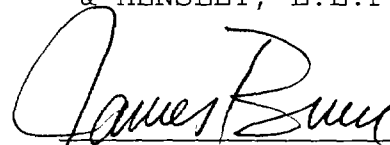
CASE NO. 10882

MOTION TO DISMISS

Bayshore Production Co., Limited Partnership hereby moves the Division for an order dismissing the above case with prejudice. The other parties to this case, Doyle and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator, and Amerada Hess Corporation, do not object to the dismissal.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554


Attorneys for Bayshore
Production Co., Limited
Partnership

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Motion to Dismiss was mailed on this 7th day of November, 1996, to each of the following persons:

Michael J. Condon
Gallegos Law Firm, P.C.
460 St. Michael's Drive
Building 300
Santa Fe, New Mexico 87505

William F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504


James Bruce

**HINKLE, COX, EATON, COFFIELD & HENSLEY,
L.L.P.**

ATTORNEYS AT LAW

**218 MONTEZUMA POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504-2068
(505) 932-4554 FAX (505) 982-8623**

LEWIS C. COX, JR. (1924-1993)
CLARENCE E. HINKLE (1901-1985)

OF COUNSEL
O. M. CALHOUN* JOE W. WOOD
RICHARD L. CAZZELL* RAY W. RICHARDS*

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
KENNETH R. HOFFMAN*
TOM D. STEPHENS*
RONALD C. SCHULTZ, JR.*
JOSE CANO*

THOMAS E. HOOD*
REBECCA NICHOLS JOHNSON
STANLEY K. KOTOVSKY, JR.
ELLEN S. CASEY
MARGARET CARTER LUDEWIG
S. BARRY PAISNER
WYATT L. BROOKS*
DAVID M. RUSSELL*
ANDREW J. CLOUTIER
STEPHANIE LANORY
KIRT E. MOELLING*
DIANE FISHER
JULIE P. NEERKEN
WILLIAM P. SLATTERY
CHRISTOPHER M. MOODY
JOHN D. PHILLIPS
EARL R. NORRIS
JAMES A. GILLESPIE
MARGARET R. MCNETT

GARY W. LARSON
LISA K. SMITH*
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
PAUL G. HASON
AMY C. WRIGHT*
BRADLEY G. BISHOP*
KAROLYN KING NELSON
ELLEN T. LOUDERBOUGH
JAMES H. WOOD*
NANCY L. STRATTON
TIMOTHY R. BROWN
JAMES C. MARTIN

*NOT LICENSED IN NEW MEXICO

PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
ROBERT P. TINNIN, JR.
MARSHALL G. MARTIN
MASTON C. COURTNEY*
DON L. PATTERSON*
DOUGLAS L. LUNSFORD
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
NANCY S. CUSACK
JEFFREY L. FORNACIARI

JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
WILLIAM F. COUNTISS*
MICHAEL J. CANON
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
W. H. BRIAN, JR.*
RUSSELL J. BAILEY*
CHARLES R. WATSON, JR.*
STEVEN D. ARNOLD
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*

November 4, 1996

Mr. William J. Lemay
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico

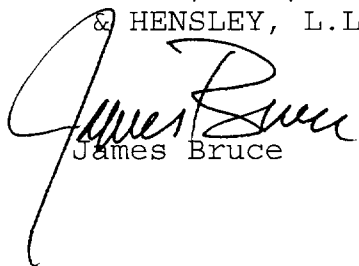
Re: Case 10,882; Application of Bayshore Production Co.,
Limited Partnership

Dear Mr. Lemay:

Please dismiss the above case. This case had been indefinitely continued, pending resolution of a case in Lea County District Court. That case has been settled.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.


James Bruce

POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

401 W. 15TH STREET, SUITE 800
AUSTIN, TEXAS 78701
(512) 476-7137
FAX (512) 476-5431



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 26, 1997

Mr. Jim Bruce
Attorney At Law
P. O. Box 1056
Santa Fe, New Mexico 87504

**RE: CASE NO. 10882
ORDER NO. R-10788**

Dear Mr. Bruce:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally E. Martinez
Sally E. Martinez
Administrative Secretary

cc: BLM - Carlsbad
G. Gallegos
B. Carr
T. Kellahin
S. Hall