

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

May 5, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. W. Perry Pearce
Montgomery & Andrews
Attorneys at Law
P. O. Box 2307
Santa Fe, New Mexico

Re: CASE NO. 9337
ORDER NO. R-8645

Applicant:

Mobil Producing Texas & New Mexico,
Inc.

Dear Sir:

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

Sincerely,

Florence Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other J. W. Neal, Michael Comeau



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

April 18, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

HAND DELIVERED

Michael R. Comeau, Esq.
Stephenson, Carpenter, Crout and
Olmstead
141 E. Palace Avenue
P. O. Box 669
Santa Fe, New Mexico 87504-0669

Re: Case No. 9337
Application of Mobil Producing Texas
and New Mexico, Inc. for Salt Water Disposal,
Lea County, New Mexico

Dear Mr. Comeau:

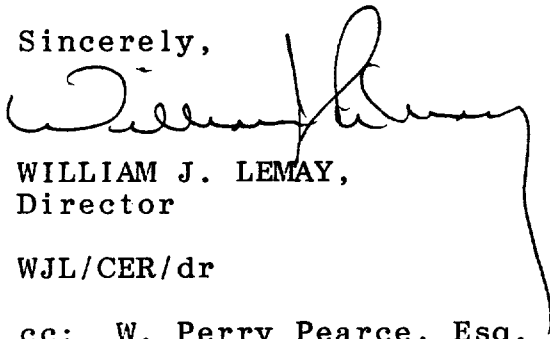
I have reviewed your request for a subpoena duces tecum in the above-referenced case along with the written response in opposition submitted by W. Perry Pearce, Esq., representing Mobil Producing. After considering these documents and I have decided to reject your request for a subpoena.

Subpoenas are to be issued at the discretion of the Commission and I refuse to exercise my discretion in this case for the following reasons:

- 1) I find that the scope of the requested material is not reasonably related to the issues in this case;
- 2) Many of the documents which are requested are most appropriately obtained from sources such as the Oil Conservation Division; and
- 3) The request for subpoena was not submitted with sufficient time for Mobil to reasonably respond.

Therefore, your request for a subpoena duces tecum is denied.

Sincerely,

A handwritten signature in cursive script, appearing to read 'William J. Lemay', with a long, sweeping underline that extends to the right.

WILLIAM J. LEMAY,
Director

WJL/CER/dr

cc: W. Perry Pearce, Esq.
J. W. Neal, Esq.

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

OF COUNSEL
William R. Federici

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A. K. Montgomery (1903-1987)
Frank Andrews (1914-1981)

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William C. Madison
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Nancy Anderson King
Alison K. Schuler
Janet McL. McKay
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Joseph E. Earnest
Stephen S. Hamilton
W. Perry Pearce
Brad V. Coryell
Michael H. Harbour
Robert J. Mroz
Sarah M. Singleton
Jay R. Hone
Charles W. N. Thompson, Jr.
John M. Hickey
Mack E. With
Galen M. Buller

Katherine W. Hall
Edmund H. Kendrick
Helen C. Sturm
Richard L. Puglisi
Arturo Rodriguez
Joan M. Waters
James C. Murphy
James R. Jurgens
Ann M. Maloney
Deborah J. Van Vleck
Anne B. Hemenway
Roger L. Prucino
Deborah S. Dungan
Helen L. Stirling
Rosalise Olson
William P. Slattery
Kenneth B. Baca
Daniel E. Gershon
Anne B. Tallmadge
Michael R. Roybal
Robert A. Bassett
Paula G. Maynes
Neils L. Thompson
Susan Andrews
Joseph E. Whitley
David L. Skinner
Elizabeth A. Glenn

April 15, 1988

HAND-DELIVERED

Case 9337

RECEIVED

APR 15 1988

CONSERVATION DIVISION

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Santa Fe, New Mexico 87504-2307

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901 18th Street
Los Alamos, New Mexico 87544

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REPLY TO SANTA FE OFFICE

William J. LeMay, Chairman
New Mexico Oil Conservation Commission
State Land Office Building
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Mobil Producing Texas New Mexico Inc.
for Saltwater Disposal Authorization, Lea County
Case 9337

Dear Chairman LeMay:

This letter is in response to the letter to the Commission from Michael R. Comeau dated April 19, 1988. That letter requested that the Commission issue a subpoena duces tecum to require certain information.

Mobil objects to this request and urges the Commission to avoid the delay, expense and wasteful, pointless activity which such a subpoena would require.

Mobil in this case has filed a routine application requesting authorization to inject produced water into the Devonian formation through the well bore of the State Section "27" Well No. 2 located in Unit H, Section 27, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Pursuant to Oil

Conservation Division rules and regulations, Mobil has filed its application setting out the necessary data and factual information.

Snyder Ranches, through its attorneys, in an apparent attempt to delay Mobil's application now seeks to have the Commission require Mobil to produce a massive quantity of materials which are irrelevant to the consideration of the application. For instance, Snyder Ranches seeks:

- (1) All information available to Mobil from its records which relates to produced saltwater in Lea County. Not only is this information irrelevant to this case since the application itself specifies the average and maximum quantities expected to be disposed of in the well but Snyder Ranches has apparently resisted the opportunity to get this information for itself from the Oil Conservation Division.
- (2) All information available to Mobil from its records which relates to saltwater disposal. This request seeks even more irrelevant information. This case relates only to a specific well proposed as the disposal mechanism for specific quantities of water and Mobil's operations throughout Lea County, the state, the nation and the world are totally unrelated to this case.
- (3) All information available to Mobil from its records which relates to the Vacuum Salado Study. Apparently, Snyder Ranches has not bothered to get all of the Study Committee information from the Oil Conservation Division files, but seeks instead to hinder oil and gas operations despite the fact that the Oil Conservation Division itself has been involved in a study of the Vacuum area and that its records are already available to the public.
- (4) All information available to Mobil from its records which relates to saltwater disposal in the Buckeye-Vacuum field. Again, Snyder Ranches apparently has failed to utilize the public records maintained by the Oil Conservation Division.
- (5) All information available to Mobil which relates to some unspecified, hypothesized Mobil internal meetings. Such meetings, if they took place at all, are

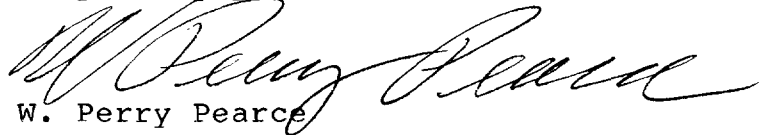
William J. LeMay, Chairman
April 15, 1988
Page 3

irrelevant to whether Mobil should be granted authority to use a specific well bore for disposal of specific produced water into the Devonian formation.

Mobil suggests that if Snyder Ranches was genuinely interested in whether this application could be appropriately granted, it would have reviewed the application filed, the public records already available to it, and would now be prepared to participate in the hearing.

Mobil respectfully requests that the request of Snyder Ranches for a subpoena duces tecum be denied and that this case proceed.

Very truly yours,



W. Perry Pearce

WPP:mp:55
File #9781-88-03
cc: Mr. William R. Humphries
Mr. Erling Brostuen
Mr. M.E. Sweeney
Michael R. Comeau, Esquire

STEPHENSON, CARPENTER, CROUT & OLMSTED

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Coronado Building, 141 E. Palace Avenue
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Patricia J. Turner
Richard S. Mackenzie
Joseph E. Manges
Candace Kern
Rebecca Dempsey
Paula A. Johnson
Grey W. Handy

Donnan Stephenson
Of Counsel

G. Stanley Crout
(1937-1987)

April 12, 1988

RECEIVED

APR 12 1988

OIL CONSERVATION DIVISION

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Case No. 9337
Application of Mobil Producing
Texas & New Mexico, Inc.,
for Salt Water Disposal,
Lea County, New Mexico

Gentlemen:

This office, along with J. W. Neal, Esq., represents Snyder Ranches, Inc., a protestant in the above-entitled proceeding. Pursuant to § 70-2-8, N.M.S.A. 1953 and Rule 1211 of the Commission's Rules on Procedure, we respectfully request that the Commission issue a subpoena duces tecum to the applicant, Mobil Producing Texas & New Mexico, Inc. ("Mobil"), requiring the production of the following documents:

- A. all reports, documents, memoranda, notes, studies, correspondence, agendas, and minutes in the custody or control of Mobil, or its parents, affiliates and subsidiaries, relating or referring to: (1) produced salt water in Lea County, New Mexico, (2) salt water disposal, (3) the Vacuum-Salado Study, (4) salt water disposal in the Buckeye-Vacuum field; and
- B. all documents, memoranda, notes, studies, correspondence, agendas and minutes of meetings relating or referring to a Mobil meeting held in New Orleans, Louisiana, where salt water disposal operations in Lea County, New Mexico, were discussed.

We request that the subpoena require the documents to be produced sufficiently in advance of the April 21, 1988, Commission hearing in order to allow proper review.

New Mexico Oil Conservation Commission
April 12, 1988
Page 2

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Comeau". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael R. Comeau

MRC:cyc

cc: W. Perry Pearce, Esq.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

March 23, 1988

Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307

Attention: W. Perry Pearce

RE: Case No. 9337
Application of Mobil Producing
Texas and New Mexico
for Salt Water Disposal
State Section "27" Well No. 2
H-27-T18S-R35E, Lea County, New Mexico

Dear Mr. Pearce:

This is to confirm your request by letter dated March 21, 1988, the subject case will be continued from the Examiner's Hearing scheduled for March 30, 1988 to the New Mexico Oil Conservation Commission Hearing on April 21, 1988.

If you should have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. LeMay".

William J. LeMay
Director

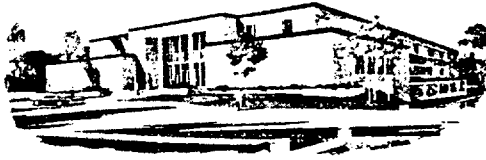
WJL/MES/ag

cc: ~~Case File~~
J.W. Neal
Mobil Exploration and Producing U.S., Inc.

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

March 10, 1988

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Mobil Exploration & Producing U.S., Inc.
P. O. Box 633
Midland, Texas 79702

*Case File
9337*

Re: Water Disposal Well
State Section 27 Lease
Well No. 2
Vacuum Devonian, South Field
Lea County, New Mexico

Attn: Mr. C. A. Moore

Gentlemen:

In connection with the above application submitted to the Oil Conservation Division by Mobil's letter dated March 2, 1988, the Land Commissioner has no objections at this time as to the above application, but reserves the right to refuse to grant an easement if it would be detrimental to the Trust Lands.

Because an oil and gas lessee is entitled to dispose of the Salt Water produced exclusively from wells located on the leased premises, no salt water disposal easement will be needed; however, if any of the salt water to be injected is produced from wells outside of the leased lands, you must apply for a Salt Water Disposal Easement.

Very truly yours,

W. R. Humphries
Commissioner of Public Lands

Floyd O. Prando

By: Floyd O. Prando, Director
Oil and Gas Division
A/C 505-827-5744

WRH:FOP:cw

cc: Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

3-7-88

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Civil 9337

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	_____
NSP	_____
SWD	<u>X</u> _____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Mobil Prod TX & NM Inc. *State Sec 27 #2-H 27-18-35*
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

*Will be going to hearing as to understand
a protest will be entered*

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed