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FAX COVER SHEET

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Santa Fe, New Mexico 87501-1861
300 Paseo de Peralta, Suite 200
(505) 982-1913 - FAX (505) 988-7563

To School

PLEASE DELIVER THE FOLLOWING PAGES IMMEDIATELY

TO: **Name:** William J. LeMay, Director **Date:** March 12, 1992
Firm: State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
Time: 4:24 PM
City: Santa Fe **State:** New Mexico
FAX Telephone Number: 505-827-5741

FROM: **Name:** Charles C. High, Jr. **File No.** 07781.00100

THERE ARE 3 PAGES INCLUDING THIS COVER SHEET. IF YOU HAVE ANY PROBLEMS REGARDING TRANSMISSION OR IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL Jackie Alvarado AT (915) 533-4424.

Signature of Operator

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Objection to Subpoena

BEFORE THE OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF)
YATES PETROLEUM CORPORATION FOR) CASES NOS. 10446,
PERMITS TO DRILL, EDDY COUNTY,) 10447, 10448. 10449
NEW MEXICO)

OBJECTIONS TO SUBPOENA DUCES TECUM

NEW MEXICO POTASH CORPORATION objects to the subpoena issued by the New Mexico Oil Conservation Division to Bob Lane, New Mexico Potash Corporation, on March 5, 1992, for the following reasons:

1. The subpoena seeks documents and information protected from disclosure by Order R-111-P, Section G, which states:

Information used by the potash lessee in identifying its LMR shall be filed with the BLM and SLO but will be considered privileged and confidential "trade secrets and commercial...information" within the meaning of 43 C.F.R. § 2.13(c)(4) (1986), Section 19-1-2, 1 NMSA 1978, and not subject to public disclosure.

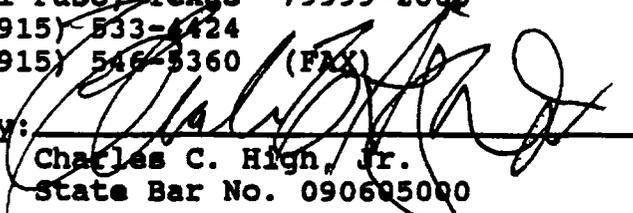
2. The documents and information sought by the subpoena, with the exception of information concerning Section 2 of Township 22 South, Range 31 East, are irrelevant to the issues raised by the applications for permit to drill at issue in these cases.

3. The documents and information sought by the subpoena are unnecessary to the resolution of any issue in these cases because the information sought is on file with the State Land Office even though protected from public disclosure. Therefore, the fact that the proposed well locations are within New Mexico Potash Corporation's LMR and should not be allowed (see Order R-111-P, Section G(e)(3)), can be verified by the SLO as provided in Order R-111-P, Section G(b), without disclosure of the confidential, trade secret information sought by the subpoena.

4. Information concerning Core Hole No. 162, located in Section 2 of Township 22 South, Range 31 East, and within approximately 2600' of all of the proposed well locations, has been provided to counsel for Yates Petroleum Corporation.

Respectfully submitted,

KEMP, SMITH, DUNCAN & HAMMOND, P.C.
P.O. Drawer 2800
El Paso, Texas 79999-2800
(915) 533-4424
(915) 546-5360 (FAX)

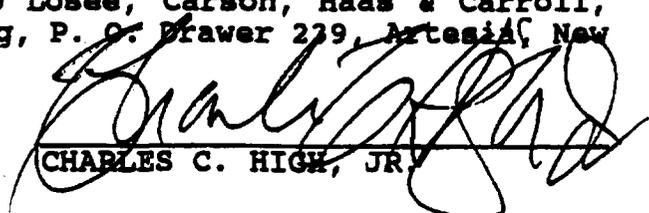
By: 
Charles C. High, Jr.
State Bar No. 090605000

Charles E. Roybal
ROYBAL AND ASSOCIATES
6020 Academy, Suite 201
Albuquerque, New Mexico 87109-3315
(505) 857-0377
(505) 857-9103 (FAX)

Attorneys for New Mexico Potash Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Objections to Subpoena Duces Tecum was sent by facsimile and mailed this 13 day of March, 1992 to Losee, Carson, Haas & Carroll, P.A., 300 Yates Petroleum Building, P. O. Drawer 239, Artesia, New Mexico 88211-0239.


CHARLES C. HIGH, JR.

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

300 YATES PETROLEUM BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88211-0239

DIVISION

10 11 TELEPHONE
(505) 746-3505

TELECOPY
(505) 746-6316

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

March 4, 1992

VIA FEDERAL EXPRESS

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Applications of Yates Petroleum Corporation
for Permits to Drill, Eddy County, New
Mexico/OCD Case Nos. 10446, 10447, 10448,
10449

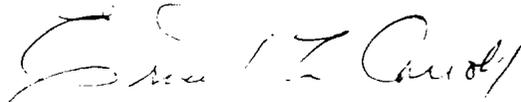
Dear Mr. LeMay:

Enclosed please find an original plus three copies of a Subpoena
Duces Tecum that we ask be issued in conjunction with Yates
Petroleum Corporation's Application for Permits to Drill in the
above-referenced case numbers.

Your assistance in expeditiously issuing these would be most
appreciated. A federal express envelope and pre-addressed label
is enclosed for their return.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth
Enclosures

xc: Bob Stovall
Yates Petroleum Corporation

OIL CONSERVATION DIVISION
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'92 MAR 5 AM 10 12

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR
PERMITS TO DRILL, EDDY COUNTY,
NEW MEXICO.

CASE NOS. 10446, 10447,
10448, 10449

SUBPOENA DUCES TECUM

TO: Bob Lane
New Mexico Potash Corporation
P. O. Box 610
Hobbs, NM 88241

Or Such Other Official of the New Mexico
Potash Corporation in Whose Possession or
Control the Hereinafter Requested Documents
Presently Remain

Pursuant to Section 70-2-8, M.M.S.A. (1978) and the New Mexico
Oil Conservation Division Rule 1211, YOU ARE HEREBY COMMANDED to
appear at the place, day and time specified below and produce for
inspection and copying the documents described on the attached Exhibit
A.

PLACE

Law Offices of Losee, Carson, Haas & Carroll, P. A.
105 S. Fourth Street, 300 Yates Petroleum Bldg.
Artesia, New Mexico 88210

DAY AND TIME

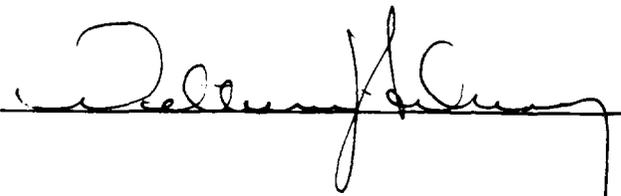
March 12, 1992, during office hours as reasonably
agreed upon by the parties

This subpoena is issued on the applications of Yates Petroleum
Corporation, by and through its attorneys, Losee, Carson, Haas &
Carroll, P. A., P. O. Drawer 239, Artesia, New Mexico, 8821-0239.

Subpoena P. 1

DATED this 5th day of March, 1992.

NEW MEXICO OIL CONSERVATION DIVISION

By: 

Subpoena

EXHIBIT "A"

INSTRUCTIONS

"Documents" or "records" mean every writing and record of every type and description in the possession, custody or control of New Mexico Potash Corporation whether prepared by you or otherwise, which is in your possession or control or known by you to exist, including but not limited to, all drafts, correspondence, memoranda, handwritten notes, notes, minutes, entries in books of accounting, computer print-outs, tapes and records of all types, minutes of meeting, studies, contracts, agreements, books, pamphlets, schedules, pictures and voice recordings, videotapes and every other device or medium on which, or for which information of any type is transmitted, recorded or preserved and whether or not such documents or records are marked or treated as confidential or proprietary. The term "document" also means a copy where the original is not in possession, custody or control of the company or corporation to whom this request is addressed, and every copy of the document where such copy is not an identical duplicate of the original, all things similar to any of the foregoing, however denominated by the parties.

1. Produce the complete record of core hole logs of any core hole drilled through the potash zones by New Mexico Potash Corporation, any predecessor or other company if such log or summary thereof is in the possession of New Mexico Potash Corp., including, but not limited to, the written results or interpretations of the logs, all assays performed thereon and economic analysis derived therefrom, in Sections 22, 23, 24, 25, 26, 27, 34, 35, and 36 of Township 21 South, Range 31 East, and Section 2 of Township 22 South, Range 31 East.

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

OIL CONSERVATION DIVISION
RECEIVED
1992 FEB 17
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(505) 748-6316

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

February 10, 1992

Mr. Michael Stogner, Examiner
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Re: Applications of Yates Petroleum Corporation
for Permits to Drill, Eddy County, New Mexico

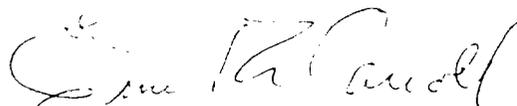
Dear Mike:

Pursuant to our conversation of this morning, I am writing to confirm my request that the hearings on Cases numbered 10446, 10447, 10448, and 10449 set for February 20, 1992, be re-scheduled. You have agreed that these cases will now be heard on March 19, 1992.

If the above does not correctly reflect the Division's docket, please advise. I am providing notice to the interested parties of this change in scheduling today.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth

xc: Randy Patterson



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

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

JIM BACA
COMMISSIONER

February 10, 1992

New Mexico Potash Corporation
Attn: Mr. R. H. Lane
P. O. Box 610
Hobbs, NM 88240

Dear Mr. Lane:

Acknowledging receipt of your updated LMR map, in compliance with O.C.D. Order R111-P. A study of your map reveals a significant change from your 1991 LMR submittal, being an extension southward to include N. M. Section 2 and continuing rather vaguely southward in Township 22 South, Range 31 East.

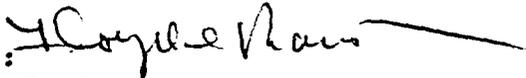
During discussions in Santa Fe on January 10, 1992, mention was made that New Mexico Potash does not process langbeinite. It was also pointed out that mineralization in Section 2 is langbeinite.

This office has never received any data to justify the outlines of any LMR and certainly has no data to justify extending your LMR into an area where mineralization is of a type which is not utilized in your operations.

This office cannot approve this change in your LMR outline until we are convinced that there are adequate data to justify this addition and that the indefinite southward extension is not arbitrary and capricious. We would also request some evidence that your operation has enough flexibility to process both sylvite and langbeinite ore.

Sincerely

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil, Gas and Minerals Division
(505) 827-5744

JB/FOP/ES/dj

