

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

APPLICATION OF TEXACO PRODUCING, INC.
FOR PERMIT TO DRILL IN POTASH-OIL
AREA, EDDY COUNTY, NEW MEXICO

Case No. 9148
Case No. 9153

STIPULATION AND AGREEMENT GOVERNING THE
PROTECTION OF CONFIDENTIAL INFORMATION

The parties, by and through their undersigned counsel of record, desire to formulate a mechanism for resolution of claims of confidential information with respect to certain documents requested by the Opponents in connection with the above-referenced proceedings, and for this purpose agree and stipulate:

1. When used in this Stipulation, the word "documents" means all written, recorded or graphic matter whatsoever, including, but not limited to, interrogatory answers, demands to admit and responses thereto, documents produced by any party or non-party in this action whether pursuant to subpoena or by agreement, deposition transcripts and exhibits.

2. Any party producing documents in this action which contain or disclose trade secrets, unpublished financial data, technological developments, pricing or cost information, production or sales forecasts or strategy, reserve information, the terms of executory contracts, or other similar commercially sensitive information of a non-public nature may designate such documents as "confidential", which documents shall be so marked. Documents which any party deems to be confidential will be so designated at the time of production by either listing or stamping the documents. Stamped identification may be made either on the original document or on a duplicate copy produced to any party.

3. Any party or non-party giving testimony in these actions may designate that portion of his testimony deemed to be confidential by advising the Oil Conservation Commission (OCC) of such fact. The OCC shall have the reporter separately transcribe those portions of the testimony so designated, shall mark the face of the transcript accordingly, and shall file the transcript under seal with the OCC.

4. Confidential documents may be referred to in OCC proceedings, interrogatory answers, motions, briefs, and may be used in depositions and marked as deposition exhibits and OCC

hearing exhibits in these actions. However, no such document shall be used for any of these purposes unless it, or the portion of the OCC paper where it is revealed, is appropriately marked and separately filed under seal with the OCC.

5. Except with prior written consent of the party asserting confidential treatment, no document designated as confidential and no information contained therein may be disclosed to any person other than:

a) Attorneys of record in this action and employees of such counsel to whom it is necessary that the material be shown for purposes of this action; or

b) Inside counsel of a party working directly on this action, including staff and support personnel who are working directly on this action under the direction of counsel and to whom it is necessary that the material be shown for purposes of this action; or

c) Bona fide outside experts (and their employees not employed or retained by either party or by a competitor of either party) consulted by such attorneys in the preparation or presentation of the case; or

d) A reasonable number of staff personnel of the parties necessary to aid counsel in the preparation and presentation of the case. The identity of all such persons shall be furnished promptly to the supplying party together with a representation that those persons have been shown a copy of this Stipulation; or

e) The parties to this lawsuit; or

f) Any person the parties agree to in writing, including the parties to this lawsuit.

6. Confidential documents may be disclosed to employees of parties involved solely in one or more aspects of organizing, filing, coding, converting, storing or retrieving data and/or designing programs for handling data connected with these actions.

7. Except for counsel of record for the parties, no person authorized under the terms hereof to receive access to confidential documents shall be granted access to them until such person has read this Stipulation and agrees in writing to be bound by same. Counsel shall be responsible for maintaining a list of all persons to whom such documents are disclosed as well as copies of agreements signed by them. Such list and agreements shall be available for inspection by counsel for other parties.

8. Whenever a party objects to the designation of a

document as confidential, it may apply to the OCC for a ruling that the document shall not be so treated, giving notice to the party or non-party producing the document. Until the OCC enters an order changing the designation, the document shall be given the restricted treatment initially assigned to it.

9. The provisions of this Stipulation shall not terminate at the conclusion of this action. Documents designated confidential and all copies of the same (other than exhibits of record) shall be returned to the party or person producing such documents within 30 days of the conclusion of this action.

10. Nothing in this Stipulation shall prevent or otherwise restrict any counsel from rendering advice to his client and, in the course thereof, relying generally on his examination of items designated confidential; provided, however, that in rendering such advice and otherwise communicating with such client, counsel shall not make specific disclosure of any items so designated.

11. It is expressly recognized that since, to accommodate a prompt resolution of the issues raised in this proceeding, the parties will be providing documents on an expedited basis and without lengthy discovery proceedings, such production expressly does not constitute a waiver, inadvertent or express, of any objections which might be made in other proceedings and under other circumstances to the production or disclosure of any document or information produced or disclosed in these proceedings.

12. If, at any time, when confidential information is in the possession of any party, such information subpoenaed by any court, administrative or legislative body, or any other person purporting to have authority to subpoena such information, the party to whom the subpoena is directed will not produce such information without first giving written notice of the subpoena (including the delivery of a copy thereof) to the attorneys for the producing party, on the earlier of 24 hours after receipt of the subpoena, or four (4) days prior to the time when production of the information is requested by the subpoena. In the event that a subpoena purports to require production of such confidential information on less than four (4) days' notice, the party to whom the subpoena is directed shall give immediate telephonic notice of the receipt of such subpoena, and forthwith hand deliver a copy thereof, to the attorneys for the producing party.

13. Nothing in this Stipulation shall operate as an admission by any party that any particular document is, or is not, admissible in evidence at the final hearing of this action.

14. At the conclusion of this action, any originals or reproductions of any documents produced shall be returned to the producing party. Insofar as the provisions of any protective

orders entered in this action restrict the communication and use of the documents produced thereunder, such orders shall continue to be binding after the conclusion of this action.

Dated: _____.

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