

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

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

CASES NO. 10446, 10447
10448, 10449

ORDER R-9679

APPLICATION OF YATES PETROLEUM
CORPORATION FOR A PERMIT TO DRILL,
EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing on motions to quash sub poenas duces tecum at 9:00 a.m. on May 22, 1992 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", all members being present for hearing.

NOW, on this 12th day of June, 1992, the Commission, having considered the arguments of counsel,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) These cases have been consolidated for purpose of hearing.

(3) Reference is made to parties and locations which are matters of record in this proceeding and detailed descriptions are not given herein.

(4) Yates Petroleum Corporation has requested and the Commission has issued the following sub poenas duces tecum:

- (a) dated April 16, 1992, directed to Bob Lane, New Mexico Potash Corporation;
- (b) dated May 6, 1992, directed to Leslie Cone, District Manager, Bureau of Land Management.

(5) New Mexico Potash Corporation, operator of the LMR in question, objects to providing the information on core-holes outside of section 2, the section on which the proposed wells are to be located, and has moved to quash the sub poenas because the information Yates is requesting is confidential and proprietary.

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(6) The burden is on Yates to prove that the wells in question can be drilled without causing undue waste of potash.

(7) Yates cannot adequately prepare its case without access to the information considered confidential and proprietary by New Mexico Potash.

(8) A protective order can be established which will protect New Mexico Potash proprietary interests and still afford Yates the opportunity to adequately prepare its case.

IT IS THEREFORE ORDERED THAT:

(1) The motion of New Mexico Potash Corporation to quash the sub poena duces tecum, identified in Finding 4 herein, issued by the Commission at the request of Yates Petroleum Corporation is hereby denied.

(2) Unless the parties otherwise agree, the information sought from New Mexico Potash Corporation shall be produced not later than 1:00 p.m. on June 17, 1992.

(3) Unless otherwise agreed by the parties and the Bureau of Land Management, the information sought from BLM shall be produced at the Roswell District office of the BLM not later than 1:00 p.m. on June 19, 1992.

(4) Unless the parties otherwise agree on alternative protective orders approved by the Director of the Oil Conservation Division, production shall be subject to the following confidentiality provision:

- (a) Inspection of the confidential information shall be limited to one attorney, one management representative and one expert for Yates Petroleum Corporation.
- (b) No reproductions shall be made of any confidential material without the consent of New Mexico Potash Corporation or an order of this Commission.
- (c) No representative of Yates shall disclose the information to any other person, including any other person within Yates Petroleum Corporation.

(5) Violation of the confidentiality provisions of this order or of any agreement entered into by the parties shall be grounds for contempt of this Commission.

(6) If it is determined that any confidential material must be presented at hearing, the parties and the Chairman of the Commission shall determine what measures shall be undertaken to preserve the confidentiality of the information.

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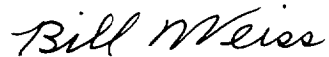
(7) The Commission retains jurisdiction of this matter for the entry of such further orders as it deems necessary.

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

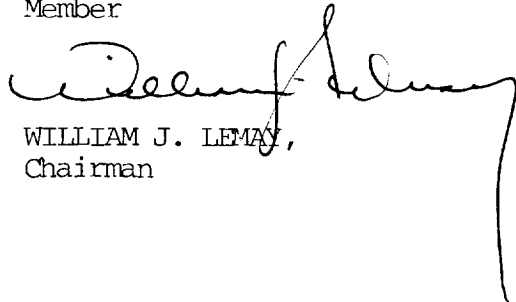
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



GARY CARLSON,
Member



WILLIAM W. WEISS,
Member



WILLIAM J. LEMAY,
Chairman

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