

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:

RECEIVED

APR 1 1997

Oil Conservation Division

CASE 11724

APPLICATION OF GILLESPIE-CROW, INC.  
FOR UNIT EXPANSION, STATUTORY UNITIZATION  
AND EOR TAX CREDIT, LEA COUNTY, NEW MEXICO.

**SNYDER'S MOTION TO QUASH  
SUBPOENA**

Snyder Ranches, Inc. and Larry Squires, (collectively "Snyder") by its attorneys, hereby moves the Division to quash the Subpoena Duces Tecum issued at the request of Yates Petroleum Company ("Yates") on March 31, 1997 which commands Snyder to produce on April 10, 1997 the following documents:

"All data utilized in the determination of the outer boundary (zero production limit) of the West Lovington Strawn Pool/Unit:"

In support of its Motion to Quash, Snyder states:

**Background**

(1) In Division Cases 11194/11195, Gillespie proposed to institute a pressure maintenance project for the secondary recovery of oil and associated gas, condensate, and all associated liquefiable hydrocarbons within and to be produced from a proposed unit area identified as the West Lovington Strawn Unit (the "unit"). See case summary attached as Exhibit "D".

**Motion to Quash Subpoena**

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(2) Snyder is a royalty owner in Unit Tract 6 and appeared in opposition to Gillespie.

(3) Snyder contended that the revised Gillespie proposed unit shape, reservoir parameters and participation formula fail to provide "relative value" to Tract 6 as required by Section 70-7-4(J) NMSA (1978), as amended, and unless corrected by the Division, the correlative rights of Snyder would be violated.

(4) Snyder provided geologic and petroleum engineer evidence which demonstrated that:

(a) an "overlay" (Snyder Exhibit 17) of Gillespie's hydrocarbon pore volume map (Gillespie Exhibit 9) which shows Gillespie's interpretation of the oil-water contact and superimposing it over the Gillespie's Structure Map (Gillespie Exhibit 4) demonstrates that Gillespie has the oil-water contact "climbing" some 30 feet upstructure which is contrary to the laws of physics and Gillespie's own contentions that the oil-water contact conforms to the structural elevation in this reservoir; and

(b) the integration of the log data from the Klein Well No. 1 and the Snyder Ranch Well No. 2 with all other available log data established a hydrocarbon pore volume distribution (Snyder Exhibit 7) of 11,655,000 barrels of oil originally in place which have been verified by petroleum engineering material balance calculations; (See Snyder Exhibit 11)

(5) The Division found:

(a) that Snyder's proposal had demonstrated the appropriate distribution of hydrocarbon pore volume with accurate corresponding reservoir parameters and had established the appropriate relative value to be attributed to each tract including Tract 6; and

(b) that Snyder's distribution of hydrocarbon pore volume with accurate corresponding reservoir parameters as set forth in Snyder Exhibit (16) should be substituted as the appropriate relative value to be attributed to each tract.

**Snyder's technical data**

(6) The data used by Snyder in Case 11195 which is sought by this subpoena was obtained by Snyder as follows:

(a) publicly available petroleum geologic and petroleum engineering data from the records of the Oil Conservation Division, Dwights and other public files accessible to Yates; and

(b) from Dalen Resources Oil & Gas and Charles B. Gillespie, Jr. **subject to** a "Confidentiality Letter" dated January 4, 1995 (**See Exhibit A**) the following data:

1. Logs of the Klein Fee Well No 1
2. Logs of Snyder "S" Com Well NO 2.
3. DST data of Klein Fee Well No 1.
4. Water analysis data
5. revised structure, net pay and HCPV maps
6. Pressure data
7. 2-D seismic data
8. 3-D seismic data
9. Revised HCPV map by tract
10. Revised OOIP
11. pumper reports
12. Contract price basis or posed price basis for field production

**Yates has subpoenaed data from the wrong party**

(7) Dalen is the owner of the requested seismic data which is the confidential business information and the trade secrets of Dalen.

(8) Snyder does not have any of the seismic data and was only provided with an opportunity to review the data in Dalen's office.

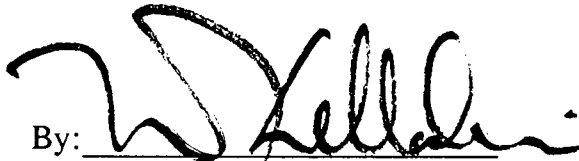
(9) Gillespie-Crow Inc. is the owner of the other requested "non-public" data which is the confidential business information and the trade secrets of Gillespie-Crow, Inc.

(10) Snyder has signed a confidentiality agreement with Dalen and Gillespie-Crow which precludes Snyder from surrendering any seismic and other data to Yates.

(11) Snyder is precluded from providing the data sought by this subpoena. See Exhibits "B" and "C".

Therefore, Snyder is unable to comply with this subpoena and respectfully requests that the New Mexico Oil Conservation Division Quash the Subpoena issued at the request of Yates.

KELLAHIN AND KELLAHIN



By: \_\_\_\_\_  
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**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing pleading was hand delivered to the office of William F. Carr, attorney for Yates Petroleum Corporation and to James Bruce, attorney for Gillespie-Crow, Inc. on April 2, 1997.

