

**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:**

**CASE 12622
(DE NOVO)**

**APPLICATION OF NEARBURG EXPLORATION
COMPANY, L.L.C. FOR TWO NON-STANDARD
GAS SPACING AND PRORATION UNITS
LEA COUNTY, NEW MEXICO.**

NEARBURG'S OBJECTIONS TO SUBPOENA DUCES TECUM

Nearburg Exploration Company L.L.C. and Nearburg Producing Company
("Nearburg") jointly respond as follows to the Subpoena Duces Tecum issued by
Redrock Operating Ltd. Co. ("Redrock") in this matter:

1. Nearburg objects to Redrock's "Instructions" to the extent they attempt to impose obligations that are beyond those imposed by the New Mexico Rules of Civil Procedures, impose an undue burden, or seek discovery in violation of the work product, attorney/client and other applicable privileges.

A. WELLS:

2. Nearburg objects to Redrock's request for information on the following wells located in Section 34, T-21-S, R-34-E, Lea County, New Mexico:

- A. Pecos River Operating, Inc. and/or EOG Resources, Inc.'s Llano "34" State Well No. 1 drilled in Unit I, and
- B. Grama Ridge Morrow Unit Well No. 2 drilled in Unit L.

Nearburg has not operated these wells and states it has no responsive material other than documents which are public record in the offices of the Oil Conservation Division. With respect to the Grama Ridge Morrow Unit Well No. 2 drilled in Unit L, Nearburg also states the requested information is not likely to lead to the discovery of admissible evidence.

B. DOCUMENTS:

3. Nearburg objects to Redrock's request for the production of Drill Cutting of Log Cores (Request B(3)) and Mud Logs (Request B(4)) on the grounds that Redrock seeks is confidential proprietary commercial information. With respect to the remaining requests in Section B, paragraphs 1 through 18, pages 3 and 4, Nearburg has produced or will produce the requested documents.

4. With respect to Redrock's request for "Documents" (Request B, paragraphs 1 through 11, pages 4 and 5), to the extent the documents exist, Nearburg has produced the requested information. If additional responsive documents are discovered or prepared by Nearburg, these documents will be promptly produced to Redrock.

5. With respect to Redrock's request for "Seismic Data" (Requests C(1)-(9)), Nearburg states that it has produced all responsive material.

6. With respect to Redrock's request for "Correspondence, communications, accounting [and] land files" (Requests D(1)-(4)), Nearburg objects to these requests on the following grounds:

Requests D(1)-(4). These requests are overly broad, unduly burdensome,

not likely to lead to the discovery of admissible evidence, and seek confidential, proprietary commercial information that is not relevant to the subject matter of the application and not necessary for Redrock to prepare its case for Hearing. *See In re Remington Arms Co., Inc.*, 952 F.2d 1029, 1032 (8th Cir. 1991). With respect to Redrock's request for correspondence / communications / accounting / land files (Requests D(5)-(8)), Nearburg has produced the requested information or, if there is responsive information not previously produced, Nearburg will produce the information at a mutually agreed upon time and location.

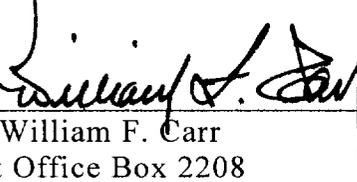
7. With respect to Redrock's request for Nearburg's "Hearing Exhibits" (Requests E(1)-(3)), Nearburg has produced to Redrock all hearing exhibits and will provide all additional or revised exhibits, if any as soon as they are prepared.

8. With respect to Redrock's request for "Data for Support of Nearburg Hearing Exhibits 1-23," this request is overly broad and unduly burdensome.

9. With respect to Redrock's remaining requests, Nearburg has produced or will produce the information - to the extent that it exists - as it relates to the Grama Ridge East "34" State Well No. 1 at a mutually agreed upon time and location.

Respectfully submitted,

HOLLAND & HART LLP

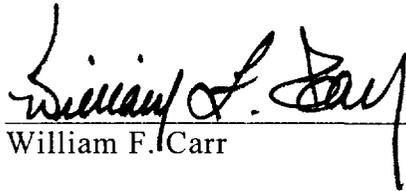
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Certificate of Service

The undersigned hereby certifies that on September 9, 2002 a true copy of the foregoing Nearburg's Objections to Subpoena Duces Tecum was delivered by hand and/or facsimile to the following:

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