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Oil Conservation Division

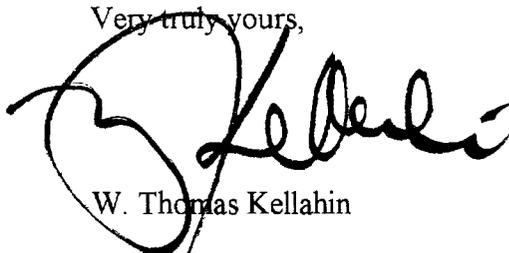
Steve Ross, Esq.
Oil Conservation Commission
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: TMBR/Sharp Motion to Dismiss Cases 12841 and 12860
NMOCD Order R-11700-C
De Novo Hearing

Dear Mr. Ross:

On behalf of TMBR/Sharp Drilling Inc. please find enclosed our motion to dismiss Ocean Energy Inc.'s two referenced compulsory pooling cases now pending a De Novo Hearing before the Commission on March 20, 2003.

Very truly yours,



W. Thomas Kellahin

Cc: Counsel of record

Division Examiner's Order R-11700-C

(1) The following four (4) compulsory pooling applications which involved Section 25, T16S, R35E, were set for an Examiner Hearing in May 2, 2002 but then continued until May 16, 2002 to be heard after the Commission entered its Order R-11700-B on April 26, 2002:

(a) TMBR/Sharp's application for compulsory pooling of the N/2 of Section 25 for its Blue Fin 25 Well No. 1 in Unit E of that section. Cases 12816 filed January 25, 2002

(b) Ocean Energy, Inc. ("Ocean") application for compulsory pooling of the W/2 of Section 25 for its Triple Hackle Dragon 25 Well No. 1 in Unit E of that section. Case 12841 filed February 2, 2002

(c) Ocean Energy, Inc. ("Ocean") application for compulsory pooling of the W/2 of Section 25 for its Triple Hackle Dragon 25 Well No. 2 in Unit K of that section. Case 12860 filed April 9, 2002

(d) Arrington's application for compulsory pooling of the E/2 of Section 25 for its Glass-Eyed Midge 25 Well No 1 in Unit A of that section. Cases 12859 filed April 9, 2002

(2) Division Cases No. 12816, 12841, 12859 and 12860 were consolidated at the time of the hearing for the purpose of testimony, and, in order to provide a comprehensive decision in these cases, one order should be entered for all four cases.

(3) On November 27, 2002, the Division entered Order R-11700-C, granting TMBR/Sharp's application for compulsory pooling and denying the Arrington and Ocean application.

ACREAGE CONFIGURATION

(4) Section 25 is subdivided as follows:

(a) The NW/4 is fee acreage referred to as the Stokes/Hamilton leases controlled by TMBR/Sharp which were the subject of litigation with Arrington over his top leases. The Court declared that TMBR/Sharp's Stokes/Hamilton leases were valid and that Arrington's top leases have not vested.

(b) the SW/4 is fee acreage referred to as the Ocean farmout acreage obtained on June 30, 2001, in which Ocean assigned a partial interest of Arrington on November 11, 2001

(c) the SW/4 is a State of New Mexico lease held by Yates

(d) TMBR/Sharp controls 99.7656 % of the N/2 of Section 25 with 0.1563 % unleased and 0.078125 % participating by other parties. Ocean owns no interest in the N/2 of this section.

EVENTS AFTER THE ISSUANCE OF ORDER R-11700-C

(5) TMBR/Sharp's pooling order pooling the interest of two minor working interest owners who could not be located.

(6) Subsequent to the entry of the Division order approving TMBR/Sharp's compulsory pooling application, TMBR/Sharp and Arrington reached a settlement and Arrington dismissed its compulsory pooling case and thereby TMBR/Sharp consolidated the N/2 of Section 25 as a 320-acre spacing unit.

(7) Because Ocean has no interest in the N/2 of this section, TMBR/Sharp's compulsory pooling order does not affect Ocean.

OCEAN'S CASES ARE MOOT

(8) The Commission granted TMBR/Sharp a permit to drill this Blue Fin "25" Well No. located in the NW/4 and dedicated to the N/2 of this section. The well has been drilled, completed and is producing in reliance on that permit.

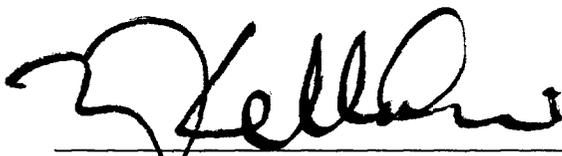
(9) Because of Arrington settlement with TMBR/Sharp, Ocean no longer has any claim of interest in the N/2 of this section, thus TMBR/Sharp's pooling order has no effect on Ocean and does not pool Ocean's interest which is limited the SW/4 of this section.

(10) Ocean seeks a compulsory pooling order in Case 12841, to permit it to drill a well in the NW/4 of this section on acreage Ocean does not have rights to operate.

(11) Ocean's application in Case 12860 seeks an order for an optional infill well located in the SW/4 of this section to be dedicated to a W/2 spacing unit that conflicts with the spacing unit already formed and approved by the Division for TMBR/Sharp's Blue Fin "25" Well No. 1

WHEREFORE, TMBR/Sharp Drilling, Inc. requests that the Commission dismiss Division cases 12841 and 12860.

Respectfully submitted,



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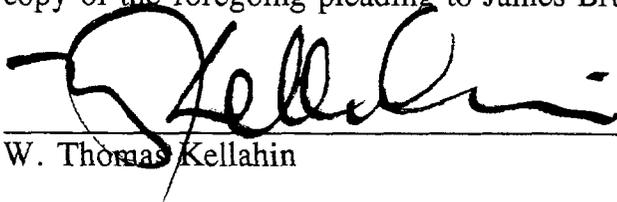
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AFFIDAVIT OF SERVICE

I, W. Thomas Kellahin, state that on March 13, 2003, I sent a true and correct copy of the foregoing pleading to James Bruce, Esq by facsimile.



W. Thomas Kellahin