

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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

**COG OPERATING, LLC'S AMENDED APPLICATION
FOR SPECIAL POOL RULES IN CERTAIN
YESO POOLS, EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE No. 14613

**APPLICATION OF BURNETT OIL CO., INC. AND
HUDSON OIL COMPANY OF TEXAS FOR CONSOLIDATION
AND EXPANSION OF AND ADOPTION OF SPECIAL
POOL RULES FOR CERTAIN YESO POOLS IN
LEA AND EDDY COUNTIES, NEW MEXICO.**

Case No. 14647

Order No. R-13382-C

CONFIDENTIALITY ORDER

THIS MATTER having come before the Oil Conservation Division ("the Division") on the joint request by the parties for entry of a Confidentiality Order to govern information and documents designated as confidential that are produced and exchanged in the course of discovery, the Division Director hereby ORDERS AS FOLLOWS:

1. This Confidentiality Order governs the handling of documents, materials, and other tangible things disclosed in discovery in this action, when those items are designated "Confidential" in accordance with the procedures herein.
2. The following definitions shall apply to this Confidentiality Order:
 - a. "Confidential Material" or "Confidential Information" shall mean and refer to any documents, materials, or other tangible things which are:

- (1) deemed in good faith by the party or person producing them to constitute trade secret, confidential, or propriety information; and
- (2) designated as such in accordance with the procedures set forth herein.

Expressly exempted from the definition of "Confidential Material" or "Confidential Information" is Applicant COG's identification of wells, including their respective API number, specified in para. B of the May 11, 2011 Letter Agreement between COG and Applicant Burnett/Hudson. Burnett/Hudson may utilize those API numbers to obtain any information, otherwise publicly available, relative to those identified wells.

b. "Qualified Person(s)" shall mean and refer to:

- (1) Attorneys for the parties, including in-house counsel;
- (2) Independent experts or consultants who are employed or retained to assist counsel in this action; and
- (3) Employees of the Division.

3. Anyone may designate Confidential Material to be handled in accordance with the terms of this Confidentiality Order by marking on, or physically affixing to, the document, material, or other tangible thing the following designation:

"Subject to Confidentiality Order in New Mexico OCD Case Nos. 14613 and 14647."

The designation shall be placed on documents in such a manner that it does not obscure or make illegible the wording of the document.

4. The following restrictions and procedures shall apply to any Confidential Material and Confidential Information:

a. All Confidential Material, and all Confidential Information contained in or derived from Confidential Material (except as specified in para. 2(a), *supra.*), shall not be used by any person for business or competitive purposes or for any purpose other than the preparation for and hearing of this action, and any appeals therefrom.

b. Access to Confidential Material and Confidential Information shall be limited to Qualified Persons who require access to such Confidential Material and Confidential Information to perform their duties in this action. Qualified Persons shall not disclose any information designated as confidential to any other persons or entities.

c. Any Qualified Person to whom Confidential Material, or any Confidential Information contained therein or derived therefrom, is to be disclosed shall, as a precondition to such disclosure:

(1) be advised of the provisions of this Confidentiality Order, and of the limited purpose for which the Confidential Material or any Confidential Information contained in or derived therefrom may be used; and

(2) execute the attached Acknowledgment which recites that he or she has received and read a copy of this Confidentiality Order, and agrees to be bound by its provisions. These procedures need not be followed if the Qualified Person to whom the Confidential Material or Confidential Information is disclosed is the person or party that produced the Confidential Material or an employee of the Division.

d. Within sixty (60) days of the final termination of this action, whether by settlement or Division Order, including any appeals therefrom, each party or other Qualified Person shall return all Confidential Material to the party or other person from whom it was received, including any copies and any extracts, summaries, or documents containing information taken therefrom, but excluding any materials which, in the judgment of the party's or person's counsel, constitute work product materials, and shall provide to the producing party a copy of each executed Acknowledgment of Confidentiality Order.

e. Any party who seeks to introduce Confidential Material as an exhibit at the hearing shall inform the Division that the proposed exhibit consists of or contains Confidential Material and/or Confidential Information and shall request that, in accordance with NMSA 1978, § 71-2-8, the Confidential Materials and Confidential Information, and any associated testimony, not be made a part of the public case record.

5. Entering into, agreeing to, producing or receiving any Confidential Material, or otherwise complying with the terms of this Confidentiality Order shall not:

a. Constitute an admission by any party or person that any document designated as Confidential Material contains or reflects trade secret, propriety or commercial information or other confidential matter; or

b. Prejudice in any way the rights of any party to object to the production of documents it considers not subject to discovery; or

c. Prejudice in any way the rights of any party to seek a determination by the Division whether particular discovery materials should be produced, or if

produced, whether such material is properly subject to the terms of this Confidentiality Order; or

d. Prejudice in any way the rights of any party to seek a determination that access to Confidential Material should be granted to a person not herein specifically designated to receive the same; or

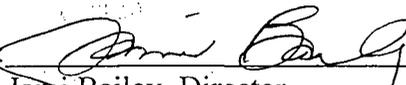
e. Prejudice in any way the rights of any party to apply for a further protective order relating to any assertedly confidential, trade secret or propriety information.

6. Any party may object to any designation of Confidential Material at any time by notifying the producing party in writing. The producing party, upon receipt of such objection, must within ten (10) days of receipt file an appropriate motion with the Division for protection of the disputed materials. The disputed materials will be handled as Confidential Materials until a ruling is obtained.

7. The Division reserves ruling on the admissibility and handling of Confidential Material until the time of hearing.

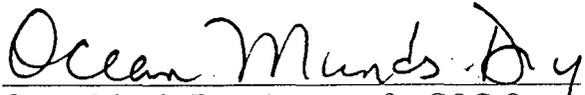
Dated this 13th day of May, 2011.

NEW MEXICO OIL CONSERVATION DIVISION

By: 

Jami-Bailey, Director

Approved By:


Ocean Munds-Dry, Attorney for COG Operating, LLC

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ACKNOWLEDGMENT OF CONFIDENTIALITY ORDER

Before working on and reviewing documents in the above-referenced matter, it is necessary that you read the Confidentiality Order attached hereto which the parties have agreed to with respect to certain materials produced in this case. Part of this Confidentiality Order requires that all Qualified Persons be advised of the provisions of the Confidentiality Order, and of the limited purposes for which confidential materials or other information contained in or derived therefrom may be used. Once you have carefully read the Order, please acknowledge that you understand its contents and that you agree to be bound by its provisions by signing below.

Signature of Qualified Person

Michael Campbell, Attorney for Burnett Oil Co. and Hudson Oil Co. of Texas

Approval by email on 5/11/11
John Cooney or Earl DeBrihe, Attorneys for Apache Corporation

Michael Campbell

Michael Campbell, Attorney for Burnett Oil Co., Inc. and Hudson Oil Co. of Texas