KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILD NG

POST OFFICE BOX 2285

SANTA FE, NEW MEXICO 67504-2265

July 21, 1995

TELEPHONE (505) 982-4285 TELEFAX (505) 982-2047

VIA FACSIMILE

(505) 827-8177

W. THOMAS KELLAHIN'

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION HECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

Mr. Michael E. Stogner Chief Hearing Examiner Oil Conservation Division 2040 South Pacheco Santa Fe. New Mexico 87505

Re: REQUEST FOR EMERGENCY ORDER

NMOCD Case 11334

Application of Phillips Petroleum Company for determination in accordance with Section 70-2-33(H) NMSA of proportionate share of recoverable hydrocarbons and for the adoption of a special allowable for the South Peterson-Fusselman Oil Pool, Roosevelt County, New Mexico

Dear Mr. Stogner:

On behalf of Phillips Petroleum Company, I am informing you that Enserch Exploration, Inc. has violated the data production agreement made between counsel when we appeared before you on the morning of Wednesday, July 12, 1995 to discuss Enserch's request for a continuance from the July 13, 1995 hearing docket.

As a consequence, Phillips requests that the Division issue an Emergency Order which requires Enserch to immediately reduce its production rate on its Lambirth Well No. 1 to not more than 267 BOPD pending a final order in this case.

The failure of Enserch to provide the agreed upon data creates the possibility of further delays.

Enserch has already been granted a two week continuance so it can prepare. Phillips has already provided Enserch with the Phillips' data. In return, we have received nothing.

Mr. Michael E. Stogner July 21, 1995 Page 2.

Time is of the essence because the new 500 BOPD allowable for the pool is so high that it is damaging the ability of the two Phillips' wells to recover their share of the oil from the pool.

Withholding data and further continuance only serve to help Enserch at the expense of Phillips.

Specifically, on July 12, 1995, counsel for Enserch agreed to timely provide production data on the Enserch Lambirth Well No. 1 located in Unit K, Section 31, T5S, R33E, NMPM.

Previously, on July 11, 1995, I hand delivered to counsel for Enserch the production data he had requested.

On July 20, 1995, the attached letter was hand delivered to counsel for Enserch but as of noon today, Enserch has failed to provide the requested data.

I have attempted to reach counsel for Enserch by telephone today and have been told he will not be in.

Accordingly, as a result of Enserch's failure to timely provide the agreed upon data, Phillips requests that the Division enter its order requiring Enserch to reduce its production rate to not more than 267 BOPD until this matter is finally resolved by the Division.

X

W. Thomas Kellahin

ce: via facsimile: William F. Carr, Esq. counsel for Enserch Exploration Inc.

cc: Phillips Petroleum Company Attn: Reese B. Copeland.

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW
EL PATIO BUILDING
II7 NORTH GUADALUFE
POST OFFICE BOX 2265

SANTA FR. NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285 TELEPAX (508) 962-2047

MATURAL RESOURCES-OIL AND GAS LAW

"NEW MEXICO BUARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF

W. THOMAS KELLAHINA

July 20, 1995

HAND DELIVERED

William F. Carr, Esq.
Campbell, Carr & Berge
Attorneys at Law
110 North Guadalupe
Santa Fe, New Mexico 87504

Re: NMOCD Case 11334

Application of Phillips Petroleum Company for determination in accordance with Section 70-2-33(H) NMSA of proportionate share of recoverable hydrocarbons and for the adoption of a special allowable for the South Peterson-Fusselman Oil Pool, Roosevelt County, New Mexico

Dear Mr. Carr:

On July 12, 1995, at the meeting conducted before Examiner Stogner, you promised that you would immediately have delivered to me the data I requested from Enserch. That has not happened.

Please be advised that unless I receive the requested data by noon tomorrow, I will renew my motion to have the Enserch well immediately shut-in and seek other appropriate sanctions.

W. Thomas Kellahin

cc: Via facsimile

Phillips Petroleum Company

Attn: Reese B. Copeland, Esq.