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ATTORNEYS AT LAW  
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W. THOMAS KELLAHIN\*

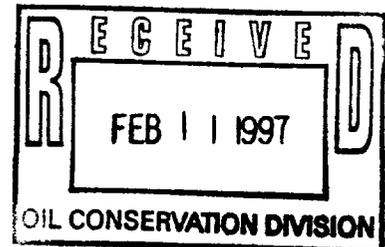
\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

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

February 11, 1997

**VIA FACSIMILE AND HAND DELIVERY**



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

Re: **REQUEST FOR CONTINUANCE**  
NMOCD Case 11728  
Application of Thompson Engineering & Production Company  
for an unorthodox coal-gas well location, San Juan County,  
New Mexico.

Dear Mr. Stogner:

On behalf of Texakoma Oil and Gas Corporation, an adversely affected offsetting operator, please find enclosed our Entry of Appearance in opposition to the applicant in the referenced cases which are now set for an Examiner's hearing on February 20, 1997.

In addition, we are requesting that this case be continued until the hearing scheduled for March 20, 1997.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Thomas Kellahin".

W. Thomas Kellahin

cfx: William F. Carr, Esq.  
Attorney for applicant  
cfx: Texakoma Oil and Gas Corporation

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

**CASE 11728**

**IN THE MATTER OF THE APPLICATION  
OF THOMPSON ENGINEERING & PRODUCTION  
COMPANY FOR AN UNORTHODOX COAL-GAS WELL  
LOCATION, SAN JUAN COUNTY, NEW MEXICO**

**ENTRY OF APPEARANCE  
AND  
REQUEST FOR CONTINUANCE**

Comes now TEXAKOMA OIL AND GAS CORPORATION ("Texakoma") by its attorneys, Kellahin and Kellahin, and enters its appearance in these cases as an offsetting operator and as a party in opposition to the applicant.

In addition, TEXAKOMA requests that this case be continued from February 20, 1997 to the Examiner Docket now scheduled for March 20, 1995 and has grounds therefore states:

(1) Rule 7 of the Basin-Fruitland Coal Gas Rules (Order R-8768, as amended), requires the first well in a coal-gas well spacing unit be located in either the NE/4 or SW/4 of a section.

(2) Thompson Engineer & Production Company ("Thompson") seeks an exception to Rule 7 in order to locate a well in the SE/4 of Section 28, T32N, R13W, which directly offsets Texakoma's well in the NE/4 of Section 33.

(3) On February 3, 1997, Texakoma received a copy of Thompson's application for a hearing scheduled for February 20, 1997.

(4) On February 10, 1997, Texakoma retained an attorney to represent it before the Division in this matter.

(5) From February 3, 1997 to February 10, 1997, Texakoma attempted to resolve its objection with Thompson but Thompson has refused to discuss the matter.

(6) Texakoma has been provided with only 16 days from receipt of notice in which to retain an expert witness, obtain data from the applicant and to prepare for a contested hearing.

(7) Division Rule 1207 requires an applicant to send a notice of hearing not less than 20 days prior to hearing, but fails to make any requirement about the minimum time between actual receipt of notice by an adversely affected party and the date of hearing.

(8) Division Rule 1207 violates Texakoma's right to procedural due process by failing to afford Texakoma a reasonable notice period in which to prepare for hearing.

(9) A continuance until March 20, 1997 hearing is necessary in order to provide Texakoma with an opportunity to obtain data from Thompson and to analysis that data, to retain experts and to prepare for hearing.

(10) Texakoma intends to have the Division issue a Subpoena to require that Thompson to produce all relevant data to Texakoma on February 20, 1997 and Texakoma will need time to review that data.

(11) Concurrence of counsel for the applicant has been requested but has not been obtained.

WHEREFORE, Texakoma requests that this case be continued until March 20, 1997.



W. Thomas Kellahin  
Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

CERTIFICATE OF MAILING

I certify that a copy of this pleading was transmitted by facsimile to counsel for applicant this 11th day of February, 1997.



W. Thomas Kellahin

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

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TELEPHONE: (505) 988-4421  
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February 18, 1997

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: ***Oil Conservation Division Case No. 11728:  
Application of Thompson Engineering and Production Company for an  
Unorthodox Coal Gas Well Location, San Juan County, New Mexico***

Dear Mr. LeMay:

Thompson Engineering and Production Company, applicant in the above-captioned case, respectfully requests that this matter which is currently set on the Division docket for the February 20, 1997 hearings be continued to the March 20, 1997 Examiner docket.

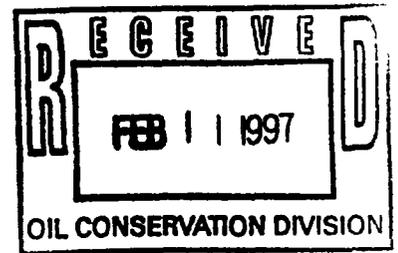
Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR  
WFC:mlh

cc: Mr. Paul Thompson  
W. Thomas Kellahin, Esq. (Via Hand-Delivery)



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES  
BEFORE THE OIL CONSERVATION DIVISION**

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

**CASE NO. 11728**

**THE APPLICATION OF THOMPSON  
ENGINEERING & PRODUCTION COMPANY  
FOR AN UNORTHODOX COAL-GAS WELL  
LOCATION, SAN JUAN COUNTY, NEW MEXICO.**

**SUBPOENA DUCES TECUM**

**TO: THOMPSON ENGINEERING & PRODUCTION COMPANY  
c/o William F. Carr, Esq.  
Campbell, Carr, Berge & Sheridan  
P. O. Box 2208  
Santa Fe, New Mexico, 87504-2208**

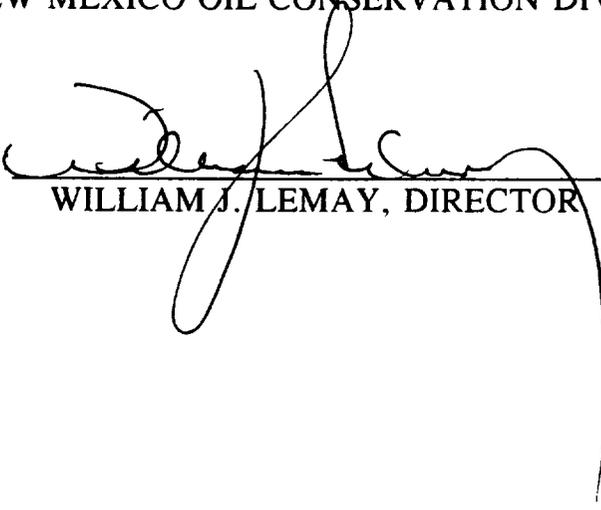
**Pursuant to Section 70-2-8, NMSA (1978) and Rule 1211 of the New  
Mexico Oil Conservation Division's Rules of Procedure, you are hereby  
ORDERED to appear at 8:15 a.m., February 20, 1997, to the offices of the**

Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505 and to produce the documents and items specified in attached Exhibit A and to make available to Texakoma Oil and Gas Corporation and their attorney, W. Thomas Kellahin, for copying, all of said documents.

This subpoena is issued on application of Texakoma Oil and Gas Corporation through their attorneys, Kellahin & Kellahin, P. O. Box 2265, Santa Fe, New Mexico 87504.

Dated this \_\_\_\_ day of February, 1997.

NEW MEXICO OIL CONSERVATION DIVISION

BY   
WILLIAM J. LEMAY, DIRECTOR

**EXHIBIT "A"**

**TO SUBPOENA DUCES TECUM  
TO THOMPSON ENGINEERING & PRODUCTION COMPANY  
IN NEW MEXICO OIL CONSERVATION DIVISION  
CASE 11728**

**PURPOSE:** The purpose of this subpoena is to provide all of the information necessary for Texakoma Oil and Gas Corporation to be able to its opposition to Thompson Engineering & Production Company in NMOCD Case 11728

**I. PRODUCE THE FOLLOWING DOCUMENTS:**

for Thompson Engineer & Production Company's proposed Steward Com Well No. 1 in Unit P of Section 28, T32N, R13W, San Juan County, New Mexico and its application in NMOCD Case 11728:

All data you are utilizing in making your determination to locate the subject well in the SE/4 of said Section 28, including but not limited to:

1. Electric Log data
2. Drilling Time data
3. Drill Cutting of Log Cores
4. Mud Logs
5. Completion data
6. Gas Analysis
7. Water Analysis
8. Fluid data
8. Reservoir Performance
9. Geologic data
10. Well Performance data
11. Permeability data
12. Porosity data
13. Coal Thickness data
14. Pressure data
15. Gas Content data
16. Sorption Isotherms
17. Initial Water/Gas Saturation data

**IF NOT ALREADY INCLUDED ABOVE THEN THE FOLLOWING  
ADDITIONAL DATA:**

18. Reservoir pressure data including but not limited to bottom-hole surveys or pressures, surface pressure readings, daily tubing pressure and casing pressures, drill stem tests, build-up tests and interference tests, with relevant information as to shut-in time and production rates prior to shut-in.

19. Gas-liquid ratios and tests including a description of any and all test data and zones per well.

20. any core data and analysis including but not limited to conventional or sidewall core data and samples.

21. all production data including, but not limited to all well check records, including gauges/charts for each well on a daily basis from initial testing/completion to date showing actual production of oil, gas and water for each well per day and per month.

22. Chronological reports to include details of:

- a. perforating and perforation locations
- b. stimulation fluids, volumes, rates, and pressures for each treated interval
- c. Swabbing, flowing and/or pumping results for each interval that was perforated and tested including Pre and Post stimulation results as applicable.

23. If your client has conducted any reservoir simulation which includes any well within 3 sections of the subject location, then provide: model software description, model parameters and assumptions, model variables, model history matching data, model predictions, subsequent modification.

24. Any petroleum engineering data used or to be used by Thompson Engineering & Production Company to justify its application in NMOCD Case 11728 including all pressure data, including but not limited to bottom hole pressure surveys, daily tubing pressure and casing pressure surveys, with relevant information as to shut-in time and production rate prior to shut-in;

25. Any and all reserve calculations, including but not limited to estimates of ultimate recovery, production decline curves, pressure decline curves, material balance calculations (including reservoir parameters), volumetric calculation (including reservoir parameters);

26. Any and all reservoir studies, including but not limited to drainage calculations, well interference studies, pressure studies or well communication studies;

27. Any and all documents and data concerning "workover" actually conducted, attempted or contemplated;

28. Any geologic data including geologic maps, structure maps, isopachs, cross-sections, and/or logs being used by Thompson Engineering & Production Company to justify its application;

29. Any and all geologic and/or engineering studies and interpretations by which Thompson Engineering & Production Company justifies and evaluates this application;

## INSTRUCTIONS

This Subpoena Duces Tecum seeks all information available to you or in your possession, custody or control from any source, wherever situated, including but not limited to information from any files, records, computers documents, employees, former employees, consultants, counsel and former counsel. It is directed to each person to whom such information is a matter of personal knowledge.

When used herein, "you" or "your" refers to the person or entity to whom this Subpoena Duces Tecum is addressed to including all of his or its attorneys, officers, agent, consultants, employees, directors, representatives, officials, departments, divisions, subdivisions, subsidiaries, or predecessors.

The term "document" as used herein means every writing and record of every type and description in the possession, custody or control of Thompson Engineering & Production Company, whether prepared by you or otherwise, which is in your possession or control or known by you to exist, including but not limited to all drafts, papers, books, writings, records, letters, photographs, computer disks, tangible things, correspondence, communications, telegrams, cables, telex messages, memoranda, notes, notations, work papers, transcripts, minutes, reports and recordings of telephone or other conversations or of interviews, conferences, or meetings. It also includes diary entries, affidavits, statements, summaries, opinions, reports, studies, analyses, evaluations, contracts, agreements, jottings, agenda, bulletins, notices, announcements, plans, specifications, sketches, instructions charts, manuals, brochures, publications, schedules, price lists, client lists, journals, statistical records, desk calendars, appointment books, lists, tabulations sound recordings, computer printouts, books of accounts, checks, accounting records, vouchers, and invoices reflecting business operations, financial statements, and any notice or drafts relating to the foregoing, without regard to whether marked confidential or proprietary,. It also includes duplicate copies if the original is unavailable or if the duplicate is different in any way, including marginal notations, from the original.