



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**

Governor

**Joanna Prukop**

Cabinet Secretary

February 5, 2003

**Lori Wrotenbery**

Director

Oil Conservation Division

Miller, Stratvert & Torgerson, P.A.

Attn: Scott Hall

P. O. Box 1986

Santa Fe, New Mexico 87504-1986

Telefax No. (505) 989-9857

Montgomery & Andrews, P.A.

Attn: Paul Owen

P. O. Box 2307

Santa Fe, New Mexico 87504-2307

Telefax No. (505) 982-3873

Kellahin & Kellahin

Attn: W. Thomas Kellahin

P. O. Box 2265

Santa Fe, New Mexico 87504-2265

Telefax No. (505) 982-2047

New Mexico Oil Conservation Division

Attn: David K. Brooks

1220 South Saint Francis Drive

Santa Fe, New Mexico 87505

Telefax No. (505) 476-3462

**Re:** Case No. 13,004: Application of the New Mexico Oil Conservation Division, through the Environmental Bureau Chief, for an order determining the responsible party or parties and ordering the responsible party or parties to conduct Division-approved corrective action with respect to a hydrocarbon release; Lea County, New Mexico.

Dear Messrs. Hall, Owen, Kellahin, and Brooks:

Reference is made to: (i) Mr. Hall's motion dated January 28, 2003, on behalf of Shall Exploration and Production Company, to continue the above-referenced case set for a Division examiner hearing February 6, 2003 to a special hearing date of March 6, 2003; and (ii) Mr. Owen's similar motion dated January 30, 2003, on behalf of Samedan Oil Corporation, to continue this case to April 10, 2003. This case will be continued to the regularly scheduled **March 13, 2003** Examiners Hearing. Thank you for your cooperation.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
Case File 13,004  
Florene Davidson - NMOCD, Santa Fe  
Kathy Valdes - NMOCD, Santa Fe

**MONTGOMERY & ANDREWS, P.A.**

325 PASEO DE PERALTA  
POST OFFICE BOX 2307  
SANTA FE, NEW MEXICO 87504-2307

(505) 982-3873

(FAX) (505) 982-4289

January 30, 2003

**TELECOPY COVER SHEET**

**TO:** Ms. Lori Wrotenbery  
Mr. W. Thomas Kellahin  
Mr. J. Scott Hall

**TELEFAX NO:** (505) 476-3462  
(505) 982-2047  
(505) 989-9857

**FROM:** Paul R. Owen, Esq.

**TELEPHONE NO:** (505) 986-2538

**TOTAL PAGES TO FOLLOW:** 2

**Message:** *Application of the NM OCD, Through the Environmental Bureau Chief,*  
Case No. 13004

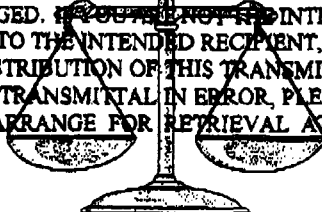
PLEASE SEE ATTACHED LETTER.

This fax is being sent from (505) 982-4289

**CLIENT NAME:** Samedan

**CLIENT NO.:** 12674-03-01

THE INFORMATION CONTAINED IN THIS FACSIMILE TRANSMITTAL IS INTENDED FOR THE PERSONAL AND CONFIDENTIAL USE OF THE DESIGNATED RECIPIENT. THIS TRANSMITTAL MAY BE CONFIDENTIAL OR PRIVILEGED. IF YOU ARE NOT THE INTENDED RECIPIENT OR AN AGENT RESPONSIBLE FOR DELIVERY TO THE INTENDED RECIPIENT, BE AWARE THAT ANY REVIEW, DISCLOSURE, COPYING OR DISTRIBUTION OF THIS TRANSMITTAL IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS TRANSMITTAL IN ERROR, PLEASE NOTIFY US BY TELEPHONE IMMEDIATELY SO WE CAN ARRANGE FOR RETRIEVAL AT NO COST TO YOU (COLLECT 505/982-3873). THANK YOU.



**MONTGOMERY & ANDREWS**  
PROFESSIONAL ASSOCIATION  
ATTORNEYS AND COUNSELORS AT LAW

Paul R. Owen  
Direct Dial: (505) 986-2638  
powen@montand.com

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307  
325 Paseo de Peralta  
Telephone (505) 982-3875  
Fax (505) 982-4289  
www.montand.com

January 30, 2003  
**VIA FACSIMILE**

Ms. Lori Wrotenbery  
Director, Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: *NMOCD Case No. 13004; Application of the New Mexico Oil Conservation Division, Through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Conduct Division-Approved Corrective Action With Respect to a Hydrocarbon Release; Lea County, New Mexico.***

Dear Ms. Wrotenbery:

This matter is set for hearing next Thursday, February 6, 2003. Today I entered an appearance on behalf of Samedan Oil Corporation.

Yesterday I received the request from Shell Exploration and Production Company for a four week continuance. That Motion is based on the fact that this case may be fairly complicated, and the parties, including the Division, need time to compile, develop, and assess the facts and prepare their cases. Samedan agrees with Shell in that if this matter cannot be resolved, it will take significant time to compile and develop the facts necessary for a presentation to the Division.

Samedan has proposed that the parties meet to discuss whether this matter can be resolved short of additional action from the Division. The parties are involved in discussions between in-house counsel to assess whether that is a feasible option in this case. If a meeting is scheduled, it will take some time to determine whether or not this matter can be resolved.

I have discussed the proposed course of action with counsel for Shell, counsel for Oxy, counsel for the Division, and the Division's Environmental Bureau Chief and staff. All are amenable to a continuance in this case.

Although Samedan agrees with Shell's request for a continuance, Samedan hereby requests that the continuance be granted until April 10, 2003 (for four examiner hearings instead of two). If

Ms. Lori Wrotenbery  
Oil Conservation Division  
January 30, 2003  
Page 2

you feel that a scheduling conference is requested, Samedan will be happy to comply.

We look forward to working with the Division on this matter.

Very truly yours,



Paul R. Owen

cc: Arnold J. Johnson, Esq. (via facsimile)  
J. Scott Hall, Esq. (via facsimile)  
W. Thomas Kellahin, Esq. (via facsimile)