

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

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

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

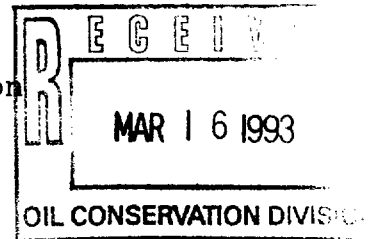
JASON KELLAHIN (RETIRED 1991)

March 16, 1993

Mr. Michael E. Stogner  
Chief Hearing Officer/Engineer  
Oil Conservation Division, Room 219  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

HAND DELIVERED

RE: NMOCD Case No. 10574  
Application of Yates Petroleum Corporation  
for Compulsory Pooling, Eddy County, N.M.  
N/2 Section 14, T20S, R24E



Dear Mr. Stogner:

Mr. David Vandiver, on behalf of Yates Petroleum Corporation has requested me to advise you that Yates Petroleum Corporation desires to dismiss the referenced case now pending hearing on March 18, 1993.

I represent Mr. Clifford Cone in this matter and we have no objection to the dismissal. There are no other parties of record.

Very truly yours,

A large, stylized handwritten signature in dark ink, appearing to read "W. Thomas Kellahin".

W. Thomas Kellahin

WTK/jcl

cc: David Vandiver, Esq.  
Clifford Cone  
Martin Gibson, Esq.  
Roy Williamson Petroleum Consultants

ltr316.654

**KELLAHIN AND KELLAHIN**

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W. THOMAS KELLAHIN\*

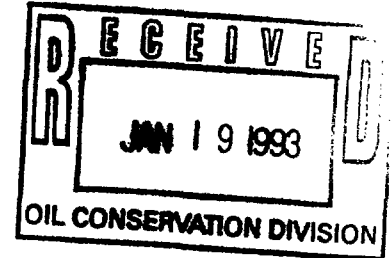
\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

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

January 19, 1993

Mr. Michael E. Stogner  
Hearing Examiner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87502



**HAND DELIVERED**

RE: NMOCD Case No. 10574  
Application of Yates Petroleum  
Corporation for Compulsory Pooling  
Eddy County, New Mexico

Dear Mr. Stogner:

In order to facilitate settlement, Mr. Vandiver on behalf of Yates Petroleum Corporation and I on behalf of Clifford Cone, jointly request that the referenced case now set for hearing be continued to the February 18, 1993 examiner's docket.

Very truly yours,

W. Thomas Kellahin

WTK/dv

cc: David Vandiver  
Clifford Cone  
Martin Gibson

ltr119.654

# FISK & VANDIVER

ATTORNEYS AT LAW  
SEVENTH & MAHONE / SUITE E  
ARTESIA, NEW MEXICO 88210  
(505) 746-9841

OIL CONSERVATION DIVISION  
RECEIVED

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FAX  
(505) 746-4208

JOHN FISK  
DAVID R. VANDIVER  
HARRY T. NUTTER

December 2, 1992

Mr. David Catanach  
Energy, Minerals and Natural  
Resources Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

*Re: New Mexico Oil Conservation Division  
Consolidated Case No. 10574  
John "AGU" Nos. 6 and 7 Wells  
Township 20 South, Range 24 East, NMPM  
Section 14: N/2  
Eddy County, New Mexico*

Gentlemen:

Please continue the referenced case which is set for hearing before an Examiner on December 3, 1992, until the Examiner Hearing of December 17, 1992.

Thank you.

Very truly yours,

FISK & VANDIVER



David R. Vandiver

DRV:pvw

cc: Ms. Kathy Porter  
Ms. D'nese Fly  
Mr. Martin Gibson  
Mr. W. Thomas Kellahin

**FISK & VANDIVER**

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E  
ARTESIA, NEW MEXICO 88210

(505) 746-9841

DAVID FISK  
DAVID R. VANDIVER  
DAVID L. VANDIVERFAX  
(505) 746-4208**FAX TRANSMITTAL**

TO: David Catanach  
NEW MEXICO OIL CONSERVATION DIVISION  
FAX NUMBER: (505) 827-5741

FROM: David R. Vandiver  
FISK & VANDIVER  
FAX NUMBER: (505) 746-4208

DATE: December 2, 1992

SUBJECT: Case No. 10574  
Yates Petroleum Corporation  
John "AGU" Nos. 6 and 7 Wells  
Township 20 South, Range 24 East, NMPM  
Section 14: N/2  
Eddy County, New Mexico

NUMBER OF PAGES (including this page): 2

SEE FOLLOWING

IF THERE ARE ANY PROBLEMS WITH RECEIPT  
OF THE FOLLOWING PAGES,  
PLEASE CONTACT US AT (505) 746-9841

THANK YOU.

The information contained in this facsimile message is attorney privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone and return the original message to us at the above address via the U. S. Postal Service. Thank you.

ILLEGIBLE

**FISK & VANDIVER**

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E  
ARTISIA, NEW MEXICO 88210

(505) 746-9841

JAMES FISK  
DANIEL VANDIVER  
BARBARA GUTTERFAX  
(505) 746-4208

December 2, 1992

Mr. David Guzmach  
Energy, Minerals and Natural  
Resources Department  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504Re: New Mexico Oil Conservation Division  
Consolidated Case No. 10574  
John "AGU" Nos. 6 and 7 Wells  
Township 20 South, Range 24 East, NMPM  
Section 14: N/2  
Eddy County, New Mexico


Gentlemen:

Please continue the referenced case which is set for hearing before an Examiner on  
December 3, 1992, until the Examiner Hearing of December 17, 1992.

Thank you.

Very truly yours,

FISK &amp; VANDIVER

  
David R. Vandiver

DEV:pw

cc: Ms. Kathy Porter  
Ms. Denise Fly  
Mr. Martin Gibson  
Mr. W. Thomas Kellahin

ILLEGIBLE !

*1000  
jcl*

**KELLAHIN AND KELLAHIN**

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EL PATIO BUILDING

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SANTA FE, NEW MEXICO 87504-2265

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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)

October 26, 1992

Mr. William J. LeMay  
Oil Conservation Division  
310 Old Santa Fe Trail  
Room 219  
Santa Fe, New Mexico 87501

**HAND DELIVERED**

RE: NMOCD Case No. 10574  
Application of Yates Petroleum  
Corporation for Compulsory Pooling,  
Eddy County, New Mexico

**RECEIVED**

OCT 28 1992

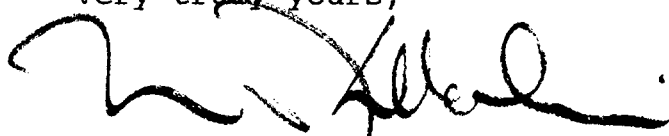
OIL CONSERVATION DIV.  
SANTA FE

Dear Mr. LeMay:

On behalf of Clifford Cone, a party to the above case, please find enclosed two (2) copies of a Subpoena Duces Tecum for this case. Please issue these Subpoenas as soon as possible, keep one copy for the OCD File in this matter, and call our office and we will pick up the other issued copy.

Thank you for your prompt attention to this matter.

Very truly yours,



W. Thomas Kellahin

WTK/jcl  
Enclosures  
lrr1028.654

*WTK*

**FISK & VANDIVER**

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E  
ARTESIA, NEW MEXICO 88210

(505) 746-9841

OIL CONSERVATION DIVISION  
RECEIVED

'92 NOV 16 AM 9 16

JOHN FISK  
DAVID R. VANDIVER  
HARRY T. NUTTER

November 11, 1992

FAX  
(505) 746-4208

Mr. William J. LeMay, Director  
Energy, Minerals and Natural  
Resources Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: *New Mexico Oil Conservation Division  
Consolidated Case No. 10574  
John "AGU" Nos. 6 and 7 Wells  
Township 20 South, Range 24 East, NMPM  
Section 14: N/2  
Eddy County, New Mexico*

Dear Mr. LeMay:

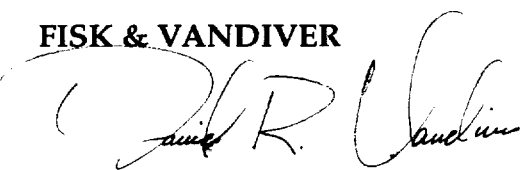
I am enclosing a Motion to Quash Subpoena Duces Tecum and for a Protective Order for filing in the captioned case. The Subpoena Duces Tecum to which the motion is directed requires the production of documents on November 19, 1992, at the offices of the Oil Conservation Division in Santa Fe. We respectfully request that the motion be set for hearing on or before November 19, and that Yates Petroleum Corporation's obligation to comply with the subpoena be postponed for a reasonable time after the Division has ruled on the motion.

After reviewing the motion, please contact me and inform me of the date the Motion will be heard by the Division.

Thank you.

Very truly yours,

**FISK & VANDIVER**

  
David R. Vandiver

DRV:pvw

cc w/enclosure: Ms. Kathy Porter  
Ms. D'nese Fly  
Mr. Martin Gibson  
Mr. W. Thomas Kellahin

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

**IN THE MATTER OF THE APPLICATION       :  
OF YATES PETROLEUM CORPORA-       :  
TION FOR COMPULSORY POOLING,       :  
EDDY COUNTY, NEW MEXICO               :**

**CASE NO. 10574**

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**MOTION TO QUASH SUBPOENA DUCES TECUM  
AND FOR A PROTECTIVE ORDER**

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This motion relates to the Subpoena Duces Tecum (the "Subpoena") attached hereto as Exhibit "A" and made a part hereof, which Clifford Cone served on Yates Petroleum Corporation ("Yates"), the applicant in this proceeding, on October 30, 1992. Yates hereby moves the Oil Conservation Division, pursuant to its plenary powers established in the Oil and Gas Act, to quash the Subpoena or for a protective order limiting the documents to be disclosed pursuant to the Subpoena on the grounds that the Subpoena is overbroad and requests information not pertinent to questions lawfully before the Division; will subject Yates to undue burden and expense; requests information which is in the possession of Clifford Cone or which is a matter of public record; poses questions rather than requesting the production of documents; and requests the production of trade secrets. The Subpoena as a whole is unreasonable and oppressive, requests documents and information not reasonable related to the case pending before the Division, will not lead to the discovery of admissible evidence, and was obtained for the purposes of delay and harassment.

Yates responds to the specific matters requested in the Subpoena as follows:

1. The Subpoena requests thousands of documents with respect to 33 wells within the North Dagger Draw – Upper Pennsylvanian Pool and the South Dagger Draw – Upper Pennsylvanian Associated Pool. The wells listed in I, Paragraphs 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 24, 25, 26, 27, 28, 29, 30 and 31 on Pages 2 through 6 of the Subpoena, do not directly or diagonally offset the proposed



John "AGU" Nos. 6 and 7 Wells, certain of said wells are located in excess of one mile from the proposed wells, and the production of documents with respect to said wells far exceeds the reasonable requirements of Clifford Cone in the preparation of this case for hearing.

2. The information requested in I, Paragraphs 1, 2 and 3 on Pages 6 and 7 of the Subpoena, and Paragraph 11 on Page 8 of the Subpoena, are matters of public record and are available to Clifford Cone in the Offices of the Oil Conservation Division.

3. The documents requested in Paragraphs 4, 5 and 6 on Page 7 of the Subpoena, and Paragraph 12 on Page 8 of the Subpoena, contain confidential information, including trade secrets, and Yates would suffer serious harm if the documents were disclosed to a competitor.

4. The information requested in Paragraph 7 on Page 7 of the Subpoena, Paragraph 13 on Page 8 of the Subpoena, Paragraphs 14 and 17 on Page 9 of the Subpoena and Paragraph 21 on Page 10 of the Subpoena are irrelevant to the subject of Yates' application in that the reasonableness of actual well costs is a matter to be considered in a separate hearing.

5. The information requested in Paragraph 8 on Page 7 of the Subpoena and Paragraphs 16 and 19 on Page 9 of the Subpoena has previously been submitted to Clifford Cone with respect to the John "AGU" Nos. 1, 2, 3, 4 and 5 Wells.

6. Paragraph 10 on Page 8 of the Subpoena, Paragraph 20 on Page 9 of the Subpoena and Paragraphs 21, 22 and 23 on Page 10 of the Subpoena are interrogatories rather than requests for production, and neither the Oil and Gas Act nor the Rules of the Oil Conservation Division authorize the submission or require response to written interrogatories.

7. Paragraph 17 on Page 9 of the Subpoena requests Yates to submit division orders Yates proposed on the designated wells. Yates has previously furnished Clifford Cone with numerous division orders, and Mr. Cone is well familiar with Yates' form of division order.

8. Paragraph 19 on Page 9 of the Subpoena requests Yates to prepare an accounting of all expenses and revenues for the 33 listed wells, an onerous undertaking not authorized by the Oil and Gas Act or the Rules of the Oil Conservation Division.

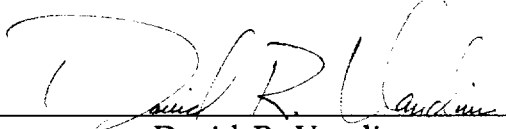
9. Paragraph 20 on Page 9 of the Subpoena requests detailed information concerning pending or completed litigation in which Yates is or was a party. There is one lawsuit pending in which Yates is a party involving either the North Dagger Draw or the South Dagger Draw – Upper Penn Pools. Counsel for Clifford Cone is also counsel for the opposing party in the lawsuit, and has possession of all pertinent information with regard to the lawsuit.

10. With respect to the matters set forth in II on Page 11 of the Subpoena, Yates is not a non-operating working interest owner of any well subject to either the North Dagger Draw Upper Penn Associated Pool or the South Dagger Draw Associated Pool within two miles of either the proposed John "AGU" Nos. 6 or 7 Wells, and no such information exists.

11. Yates will produce the exhibits requested in Paragraphs 1, 2, 3 and 4 in III on Page 11 of the Subpoena.

Based upon the foregoing matters, Yates respectfully requests the Division to quash all of that part of the Subpoena designated as I on Pages 2 through 10 of the Subpoena. In the alternative, Yates requests a protective order limiting the documents to be disclosed to those documents which are reasonably related to Yates' application, are not matters of public record, are not already in the possession of Clifford Cone or counsel for Clifford Cone, will not subject Yates to undue burden and expense, and are not confidential or trade secrets. To the extent the Division may require the production of confidential materials or trade secrets, Yates requests that such materials be viewed only by the Examiner or other Oil Conservation Division personnel, and that the Division order that such materials remain confidential.

**YATES PETROLEUM CORPORATION**

By:   
David R. Vandiver

**FISK & VANDIVER**  
Seventh and Mahone, Suite E  
Artesia, New Mexico 88210  
(505) 746-9841

Attorneys for Applicant


### CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Motion to Quash Subpoena Duces Tecum and for a Protective Order was sent by United States Mail, postage prepaid, to:

Mr. W. Thomas Kellahin  
Kellahin and Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504-2265

Attorney for Clifford Cone.

on this 11<sup>th</sup> day of November, 1992.

  
\_\_\_\_\_  
David R. Vandiver

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:

THE APPLICATION OF YATES PETROLEUM  
CORPORATION FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

CASE NO. 10574

SUBPOENA DUCES TECUM

TO: YATES PETROLEUM CORPORATION  
105 South Fourth Street  
Artesia, New Mexico 88210  
ATTN: Randy Patterson

Pursuant to the power vested in this Division, you are commanded to produce at 8:15 a.m., November 19, 1992, to the offices of the Oil Conservation Division, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico 87501 and make available to Clifford Cone and his attorney, W. Thomas Kellahin, for copying, all the following documents under the possession or control of Yates Petroleum Corporation:

**I. FOR THE FOLLOWING EDDY COUNTY, NEW MEXICO WELLS:**

(1) Yates Petroleum Corporation's John "AGU" #2  
Well located in Unit A of Section 14, Township 20  
South, Range 24 East, NMPM;

(2) Yates Petroleum Corporation's John "AGU" #1  
Well located in Unit C of Section 14, Township 20  
South, Range 24 East, NMPM;

(3) Yates Petroleum Corporation's John "AGU" #5  
Well located in Unit F of Section 14, Township 20  
South, Range 24 East, NMPM;

(4) Yates Petroleum Corporation's John "AGU" #3  
Well located in Unit G of Section 14, Township 20  
South, Range 24 East, NMPM;

(5) Yates Petroleum Corporation's John "AGU" #4  
Well located in Unit H of Section 14, Township 20  
South, Range 24 East, NMPM;

(6) Yates Petroleum Corporation's Saguaro "AGS"  
Fed Com #4 Well located in Unit J of Section 14,  
Township 20 South, Range 24 East, NMPM;

(7) Yates Petroleum Corporation's Senita "AIP" Fed  
Com. #1 Well located in Unit K of Section 14, Township  
20 South, Range 24 East, NMPM;

(8) Yates Petroleum Corporation's Saguaro "AGS"  
Fed Com #12 Well located in Unit L of Section 14,  
Township 20 South, Range 24 East, NMPM;

(9) Yates Petroleum Corporation's Saguaro "AGS"  
Fed Com #8 Well located in Unit O of Section 14,  
Township 20 South, Range 24 East, NMPM;

(10) Yates Petroleum Corporation's Hill View "AHE"  
Fed #8 Well located in Unit P of Section 14, Township  
20 South, Range 24 East, NMPM;

(11) Yates Petroleum Corporation's Ocotillo "ACI"  
Fed #1 Well located in Unit A of Section 10, Township  
20 South, Range 24 East, NMPM;

(12) Yates Petroleum Corporation's Sara "AHA" Com  
#3 Well located in Unit A of Section 11, Township 20  
South, Range 24 East, NMPM;

(13) Yates Petroleum Corporation's Saguaro "AGS"  
Fed Com #13 Well located in Unit B of Section 11,  
Township 20 South, Range 24 East, NMPM;

(14) Yates Petroleum Corporation's Conoco "AGK"  
Fed #1 Well located in Unit C of Section 11, Township  
20 South, Range 24 East, NMPM;

(15) Yates Petroleum Corporation's Conoco "AGK"  
Fed #12 Well located in Unit E of Section 11, Township  
20 South, Range 24 East, NMPM;

(16) Yates Petroleum Corporation's Conoco "AGK"  
Federal #7 Well located in Unit F of Section 11,  
Township 20 South, Range 24 East, NMPM;

(17) Yates Petroleum Corporation's Saguaro "AGC"  
Fed Com #6 Well located in Unit G of Section 11,  
Township 20 South, Range 24 East, NMPM;

(18) Yates Petroleum Corporation's Sara "AHA" Com  
#1 Well located in Unit I of Section 11, Township 20  
South, Range 24 East, NMPM;

(19) Yates Petroleum Corporation's Conoco "AGK"  
Fed Com #10 Well located in Unit J of Section 11,  
Township 20 South, Range 24 East, NMPM;

(20) Yates Petroleum Corporation's Saguaro "AGS"  
Com #1 Well located in Unit L of Section 11, Township  
20 South, Range 24 East, NMPM;

(21) Yates Petroleum Corporation's Sara "AHA" Com  
#5 Well located in Unit N of Section 11, Township 20  
South, Range 24 East, NMPM;

(22) Yates Petroleum Corporation's Sara "AHA" Com #4 Well located in Unit O of Section 11, Township 20 South, Range 24 East, NMPM;

(23) Yates Petroleum Corporation's Sara "AHA" Com #6 Well located in Unit P of Section 11, Township 20 South, Range 24 East, NMPM;

(24) Yates Petroleum Corporation's Hill View "AHE" Fed Com #1 Well located in Unit D of Section 12, Township 20 South, Range 24 East, NMPM;

(25) Yates Petroleum Corporation's Hill View "AHE" Fed #9 Well located in Unit E of Section 12, Township 20 South, Range 24 East, NMPM;

(26) Yates Petroleum Corporation's Ceniza "AGZ" Com #4 Well located in Unit L of Section 12, Township 20 South, Range 24 East, NMPM;

(27) Yates Petroleum Corporation's Spanish Dagger "AID" Com #1 Well located in Unit M of Section 12, Township 20 South, Range 24 East, NMPM;

(28) Yates Petroleum Corporation's Spanish Dagger "AID" #2 Well located in Unit E of Section 13, Township 20 South, Range 24 East, NMPM;



(29) Yates Petroleum Corporation's Hill View "AHE" Fed Com #7 Well located in Unit M of Section 13, Township 20 South, Range 24 East, NMPM;

(30) Yates Petroleum Corporation's Saguaro "AGS" Fed Com #2 Well located in Unit F of Section 15, Township 20 South, Range 24 East, NMPM;

(31) Yates Petroleum Corporation's Sara "AHA" #2 Well located in Unit H of Section 15, Township 20 South, Range 24 East, NMPM;

(32) Yates Petroleum Corporation's proposed John "AGU" #6 Well, to be located in Unit B of Section 14, Township 20 South, Range 24 East, NMPM; and

(33) Yates Petroleum Corporation's proposed John "AGU" #7 Well, to be located in Unit E of Section 14, Township 20 South, Range 24 East, NMPM.

**PRODUCE THE FOLLOWING DATA:**

1. Any and all daily production data of oil, gas and water from first production to date;
2. Any and 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;

3. Any and all Oil-Water Ratio Tests;
4. 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);
5. Any and all reservoir studies, including but not limited to drainage calculations, well interference studies, pressure studies or well communication studies;
6. Any and all economic studies including but not limited to Cash Flow Economic Projections which state rate of return, years to payout net income/investment (return on investment), and undiscounted present worth;
7. Any and all drilling agreements and contracts;
8. Any and all drilling, completing and operating expenses for each well including (a) the "AFE" costs submitted to owners and

any revisions or supplements, (b) the actual costs to Yates, and (c) the actual charges to owners;

9. Any and all drilling and producing overheard charges for operations and a calculation of how those charges are allocated;
10. Describe in itemized detail to what extent does the equipment utilized or to be utilized on the wells come from Yates Petroleum Company's inventory and to what extent is the equipment new or used. Include the basis for the charge in each category.
11. Complete daily drilling and completion reports from inception to the latest available date for each well;
12. Any and all geologic and/or engineering studies and interpretations by which you justify each well and evaluate its risk;
13. Any and all contracts for the sale or purchase of hydrocarbons produced from any of the subject wells, including transactions on a "spot" basis and including transactions where Yates is the purchaser and then resells

the production;

14. Any and all information concerning the disposal of produced water including itemized costs for the disposal of produced water from each of the subject wells;
15. Any and all information concerning the gathering and disposition of produced gas including itemized costs to Yates and Yates charges to owners for the disposal of produced gas from each of the subject wells;
16. Any and all Joint Operating Agreements that apply to any of the subject wells;
17. Any and all Division Orders signed with any purchaser including copies of division orders Yates proposed or proposes to ask owners to sign;
18. Any and all farmout agreements and leases which apply to any of the subject wells;
19. A detailed accounting of all expenses and revenues for any of the subject wells located in the N/2 of Section 14, Township 20 South, Range 24 East, NMPM;
20. Describe in detail any pending or completed

litigation in which Yates Petroleum Company is or was as a party involving any interest owner or production from either of the Dagger Draw Pools.

21. Describe in detail, including copies of all documents, any and all audit exceptions, either formally or informally presented to Yates Petroleum Corporation which allege adjustments in charges, JIB's or revenues related to either Dagger Draw Pool;
22. Describe in detail, including copies of all documents, any and all gas balancing terms involving gas produced from any of the wells; and
23. Describe in detail, including copies of all documents, to what extent has the "contingency for completion" been used on the wells and in what situations Yates Petroleum Corporation will recover this amount whether or not it is actually used.

**II. OTHER INFORMATION REQUESTED:**

To the extent Yates is a non-operating working interest owner of any well subject to either the North Dagger Draw Upper Penn Associated Pool or the South Dagger Draw Associated Pool within 2 miles of either the proposed John "AGU" Nos. 6 or 7 wells, produce at the date and time stated hereinabove:

1. Copies of itemized AFE's and itemized actual costs provided by other operators; and
2. Copies of Joint Operating Agreements provided by other operators.

**III. FOR THE HEARING, PRODUCE:**

1. Copies of any possible geologic exhibits for use by Yates Petroleum Corporation at the subject hearing;
2. Copies of any possible engineering exhibits for use by Yates Petroleum Corporation at the subject hearing;
3. Copies of any possible land exhibits for use by Yates Petroleum Corporation at the subject hearing;
4. Copies of any other exhibits which you could use at the hearing;

**INSTRUCTIONS**

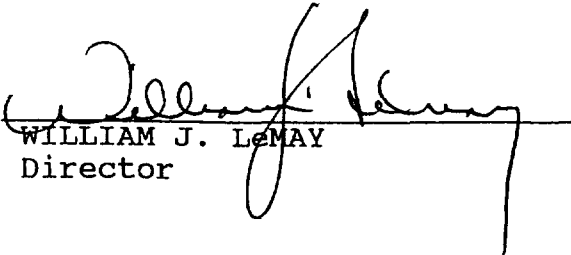
This Subpoena Duces Tecum seeks all information available to you or in your possession, custody or control from any source, wherever situated, including but not limited to information from any files, records, documents, employees, former employees, counsel and former counsel. It is directed to each person 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, employees, directors, representatives, officials, departments, divisions, subdivisions, subsidiaries, or predecessors.

ISSUED THIS 29<sup>th</sup> day of October, 1992 at Santa Fe, New Mexico.

NEW MEXICO OIL CONSERVATION  
DIVISION

BY:

  
WILLIAM J. LEMAY  
Director

subt1026.654

# FIK & VANDIVER

OIL CONSERVATION DIVISION ATTORNEYS AT LAW  
RECEIVED SEVENTH & MAHONE / SUITE E  
ARTESIA, NEW MEXICO 88210

'92 NOV 20 AM 8 59

(505) 746-9841

JOHN FISK  
DAVID R. VANDIVER  
HARRY T. NUTTER

FAX  
(505) 746-4208

November 18, 1992

Mr. Michael Stogner  
Energy, Minerals and Natural  
Resources Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Re: *New Mexico Oil Conservation Division  
Consolidated Case No. 10574  
John "AGU" Nos. 6 and 7 Wells  
Township 20 South, Range 24 East, NMPM  
Section 14: N/2  
Eddy County, New Mexico*

Dear Mr. Stogner:

This letter will confirm our agreement with W. Thomas Kellahin, attorney, for Clifford Cone, to continue the referenced case which is set for hearing before an Examiner on November 19, 1992, until the Examiner Hearing of December 3, 1992.

Thank you.

Very truly yours,

FIK & VANDIVER

  
David R. Vandiver

DRV:pvw

cc: Ms. Kathy Porter  
Ms. D'nese Fly  
Mr. Martin Gibson  
Mr. W. Thomas Kellahin



# FISK & VANDIVER

ATTORNEYS AT LAW

SEVENTH & MAHONE / SUITE E  
ARTESIA, NEW MEXICO 88210

(505) 746-9841

OIL CONSERVATION DIVISION  
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JOHN FISK

DAVID R. VANDIVER  
HARRY T. NUTTER

FAX  
(505) 746-4208

October 22, 1992

Energy, Minerals and Natural  
Resources Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

M.S.

Re: *New Mexico Oil Conservation Division  
Consolidated Case No. 10574  
John "AGU" Nos. 6 and 7 Wells  
Township 20 South, Range 24 East, NMPM  
Section 14: N/2  
Eddy County, New Mexico*

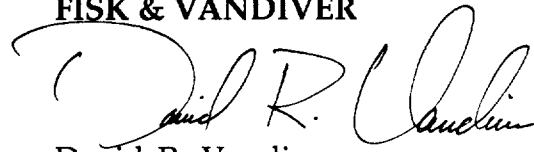
Gentlemen:

Please continue the referenced case which is set for hearing before an Examiner on October 29, 1992, until the Examiner Hearing of November 19, 1992.

Thank you.

Very truly yours,

FISK & VANDIVER

  
David R. Vandiver

DRV:pvw

cc: Ms. Kathy Porter  
Ms. D'nese Fly  
Mr. Martin Gibson  
Mr. W. Thomas Kellahin

## KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN\*

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

TELEPHONE (505) 982-4265

TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

FACSIMILE COVER SHEETDATE: October 20, 1992NUMBER OF PAGES: 3  
(including cover sheet)

TIME: \_\_\_\_\_

TO: William J. LeMayFROM: W. Thomas KellahinFlorene DavidsonOF: Oil Conservation Division

## SPECIAL INSTRUCTIONS:

FAX NO.: 827-5741☐ URGENTRE: NMOCD Case No. 10574☒ FOR YOUR INFORMATIONApplication of Yates☒ FOR YOUR REVIEWPetroleum Corporation for☐ PLEASE REPLYCompulsory Pooling, Eddy County☐ FOR YOUR APPROVAL☐ PER YOUR REQUESTMESSAGE: Our Entry of Appearance on behalf of Clifford Conefollows. A hard copy will follow by mail.A HARD COPY ☒ WILL ☐ WILL NOT FOLLOW BY U.S. MAIL.

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

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

CASE NO. 10574

THE APPLICATION OF YATES PETROLEUM  
CORPORATION FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

ENTRY OF APPEARANCE

COMES NOW, W. THOMAS KELLAHIN of Kellahin and  
Kellahin, and enters the firm's appearance on behalf of  
CLIFFORD CONE in the above captioned matter.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285  
ATTORNEYS FOR CLIFFORD CONE

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Entry of Appearance was both sent by facsimile transmission and by U.S. Mail, postage pre-paid to David Vandiver, (Fax 505/746-4208) P.O. Box 7th and Mahone, Suite #E, Artesia, New Mexico 88210 and William J. LeMay (Fax 505/827-5741) Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87504 on this 20<sup>TH</sup> day of October, 1992.

  
W. Thomas Kellahin

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

IN THE MATTER OF THE HEARING  
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\_\_\_\_\_  
W. Thomas Kellahin