

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285

Area Code 505

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

December 29, 1988

RECEIVED

DEC 29 1988

OIL CONSERVATION DIVISION

Mr. Victor T. Lyon
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

HAND DELIVERED

Re: Application of Meridian Oil, Inc.
in Case 9571

Dear Mr. Lyon:

On behalf of Meridian Oil, Inc. on December 28, 1988, I received a copy of the Subpoena Decus Tecum issued over your signature at the request of Mr. William F. Carr, attorney for Blackwood & Nichols.

Please find enclosed my Written Objections to the Subpoena and a Motion to Quash which we would request be set for hearing on January 18, 1989.

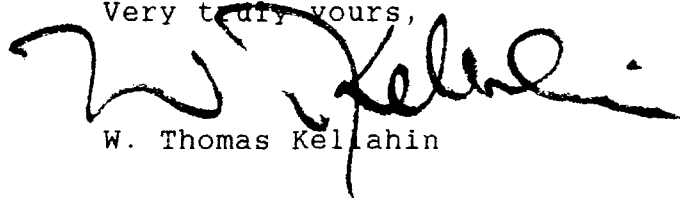
Further, we request that our Application for Hearing of the referenced case now set for January 4, 1989 be continued to January 18, 1989.

Because of the holiday schedule and the short period of time given us to respond to the Subpoena I find that I have no technical personnel available to me from Meridian Oil, Inc. to aid in our response to the Subpoena by January 4, 1989. Accordingly, I further request that the Subpoena be Stayed until such time as we can address our objections at a hearing before the Division.

I have attempted to contact Mr. Carr and am awaiting his return of my phone call.

Please find enclosed a proposed Order on the matter.

Very truly yours,



W. Thomas Kellahin

WTK/dm
Encl.

cc: Meridian Oil, Inc., w/encl.
William F. Carr, Esq., w/encl.

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

IN THE MATTER OF THE APPLICATION OF
MERIDIAN OIL, INC. FOR AN UNORTHODOX
COAL GAS WELL LOCATION AND SIMULTANEOUS
DEDICATION, RIO ARriba COUNTY, NEW MEXICO

CASE 9571

MERIDIAN OIL, INC.
OBJECTIONS TO SUBPOENA
MOTION TO QUASH SUBPOENA DUCES TECUM

COMES NOW MERIDIAN OIL, INC., by and through its attorneys Kellahin, Kellahin and Aubrey, and pursuant to Rule 45(d) and Rule 26(c) of The New Mexico Rules of Civil Procedures, files these written objections to the Subpoena Duces Tecum and Moves the New Mexico Oil Conservation Division to Quash the Subpoena Duces Tecum issued against Meridian Oil, Inc. dated December 18, 1988 which was issued at the request of Blackwood & Nichols on the grounds that the Subpoena is unreasonable, oppressive, irrelevant and subject to privilege because:

1. There is no statement in the Subpoena Duces Tecum as to the period of time to be covered by the documents described therein, it being unlimited as to time;

2. To comply with the Subpoena which was served on Meridian's attorney on December 28, 1988 for production on January 4, 1989 a period of only seven days thereafter with three of those days being legal holidays, would impose upon Meridian Oil, Inc. an impossible and unreasonable burden and expense;

3. Meridian Oil, Inc. operates and has interests in hundreds of wells in the San Juan Basin and the Subpoena is too indefinite and uncertain because it does not sufficiently describe the wells involved for which documents are sought to be produced;

4. To produce said documents would cause great inconvenience to Meridian Oil, Inc. and large expense, said Subpoena calling for all of the documents dealing with pressure, well records, production and logs in the San Juan Basin:

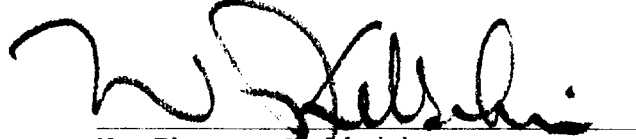
5. Most, if not all of the information sought by the Subpoena is available to the Division and to Blackwood & Nichols within the public domain of information and Blackwood & Nichols is simply using the limited Subpoena power of the Division to harass Meridian Oil, Inc.;

6. Any document sought by Blackwood & Nichols that is not already in the public domain of information is privileged, proprietary or confidential to which Blackwood & Nichols is not entitled; and

7. Blackwood & Nichols, as a competitor of Meridian Oil, Inc., is simply attempting to use the Subpoena power of the Division and the hearing process to obtain confidential business information to gain a competitive advantage over Meridian Oil, Inc.

Wherefore Meridian Oil, Inc. requests that the Case 9571 be continued to the Division Examiner's Hearing now scheduled for January 18, 1989 and that at that time the Division hear argument concerning why the Subpoena Duces Tecum issued December 28, 1988 should not be quashed as requested by Meridian Oil, Inc.

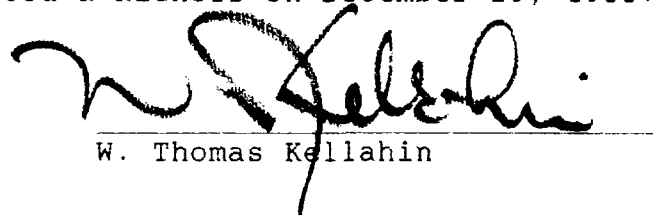
Submitted by:



W. Thomas Kellahin
KELLAHIN, KELLAHIN & AUBREY
P.O. Box 2265
Santa Fe, New Mexico 87504

CERTIFICATION OF SERVICE ON OPPOSING COUNSEL

I, W. Thomas Kellahin, being duly sworn hereby certify that I hand delivered a copy of this pleading to W.F. Carr, Esq., Attorney for Blackwood & Nichols on December 29, 1988.



W. Thomas Kellahin

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

IN THE MATTER OF THE APPLICATION OF
MERIDIAN OIL, INC. FOR AN UNORTHODOX
COAL GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION
RIO ARriba COUNTY, NEW MEXICO

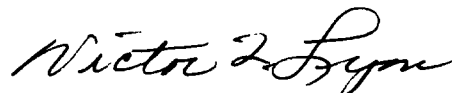
CASE 9571

ORDER OF THE DIVISION

This Matter coming before the New Mexico Oil Conservation Division upon the Motion of Meridian Oil, Inc. to Quash the Subpoena Duces Tecum issued on December 28, 1988 at the request of Blackwood & Nichols and good cause appearing therefor:

IT IS ORDERED THAT Case 9571 shall be continued from the January 4, 1989 Examiner's docket until the Examiner's Hearing now scheduled for January 18, 1989 and the Subpoena Duces Tecum issued on December 28, 1988 is hereby Stayed until such time as the Division enters further orders herein following the January 18, 1989 hearing.

IT IS FURTHER ORDERED THAT Blackwood & Nichols shall appear at the Examiner's Hearing on January 18, 1989 and show cause why the Subpoena should not be Quashed.



Victor T. Lyon
Deputy Director

Submitted:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
J. SCOTT HALL
JOHN H. BEMIS
MARTE D. LIGHTSTONE
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 3, 1989

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OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Oil Conservation Division Case No. 9571
In the Matter of the Application of Meridian Oil Inc. for
An Unorthodox Coal Gas Location and Simultaneous
Dedication, Rio Arriba County, New Mexico

Dear Mr. LeMay:

Enclosed is our Entry of Appearance for Amoco Production Company
in the above-captioned matter which is presently set on the January
4, 1989 Examiner docket.

Very truly yours,


WILLIAM F. CARR

WFC:mlh

Enclosure

cc: Kent Lund, Esq.
Amoco Production Company

W. Thomas Kellahin, Esq.

BEFORE THE

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OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
MERIDIAN OIL INC. FOR AN UNORTHODOX
COAL GAS LOCATION AND SIMULTANEOUS
DEDICATION, RIO ARriba COUNTY, NEW MEXICO.

CASE NO. 9571

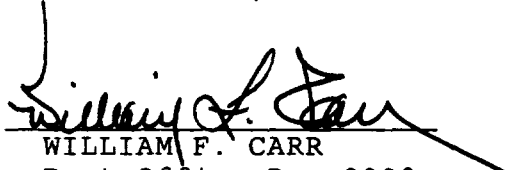
ENTRY OF APPEARANCE

COMES NOW CAMPBELL & BLACK, P.A., and hereby enters its
appearance in the above referenced case on behalf of Amoco
Production Company.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By:


WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR AMOCO
PRODUCTION COMPANY

Set for hearing

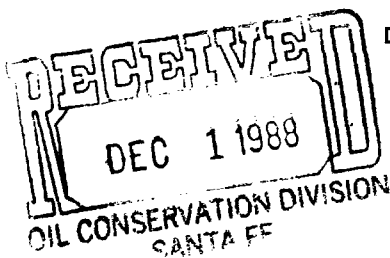
M.S. 12/1/88

BLACKWOOD & NICHOLS CO., LTD.

P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728



November 29, 1988

Case 9571

Mr. William LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Unorthodox Location
Meridian Oil Company
San Juan 30-6 Unit #406R
NW, Section 15, T30N, R7W
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Herewith Blackwood & Nichols Company, Ltd. informs you that as operator of the Northeast Blanco Unit we object to the referenced unorthodox location request. Blackwood & Nichols requests that this matter be set for hearing.

Blackwood & Nichols's basis for this objection is the simple fact that Section 15 currently has three producing Basin-Fruitland Coal wells. Meridian's proposal would require the San Juan 30-6 Unit No. 406 well, which produced over 800 MCFD during September, 1988, be plugged. Meridian is requesting that they not only maintain a well density advantage but that this position become stronger. Clearly, the Northeast Blanco Unit is likely to experience drainage from Meridian's existing three wells in Section 15 and a replacement well is not in conformance with the Basin-Fruitland Coal Gas Pool Rules, or prevention of waste.

Sincerely,

BLACKWOOD & NICHOLS COMPANY, LTD.

A handwritten signature in cursive script that reads "William F. Clark".

William F. Clark
Operations Manager

WFC:1kl

cc: Meridian Oil Company

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

IN THE MATTER OF THE APPLICATION OF
MERIDIAN OIL, INC. FOR AN UNORTHODOX
COAL GAS WELL LOCATION AND SIMULTANEOUS
DEDICATION, RIO ARriba COUNTY,
NEW MEXICO

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OIL CONSERVATION DIVISION
Case 9571

DISMISSAL OF APPLICATION

COMES NOW MERIDIAN OIL, INC. by and through its attor-
neys Kellahin, Kellahin & Aubrey, and hereby Dismiss its Ap-
plication in this case.

Respectfully submitted,

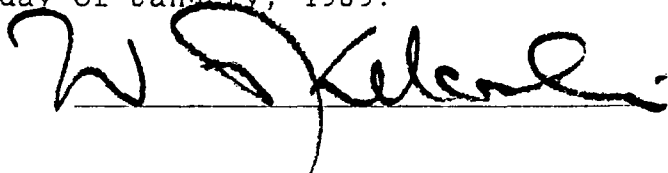
KELLAHIN, KELLAHIN & AUBREY



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

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the
foregoing Dismissal was delivered to William F. Carr, Esq.,
P.O. Box 2208, Santa Fe, New Mexico 87501, attorney for
Blackwood & Nichols Co. Ltd. and attorney for Amoco Produc-
tion Company on this 13th day of January, 1989.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 25, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9571
ORDER NO. R-8851

Applicant:

Meridian Oil Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other William F. Carr