

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
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

May 8, 1990

HAND-DELIVERED

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

RECEIVED

MAY 8 1990

OIL CONSERVATION DIVISION

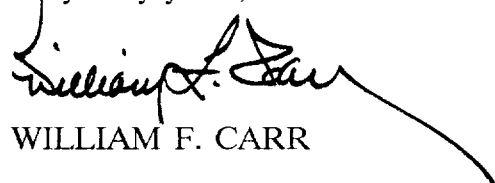
9949

Re: In the Matter of the Application of Chevron U.S.A., Inc. for a Non-Standard
Proration Unit, Unorthodox Well Locations, and Simultaneous Dedication,
Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the application of Chevron U.S.A., Inc. in the above-referenced case. Chevron U.S.A., Inc. respectfully requests that this matter be placed on the docket for the May 30, 1990 Examiner hearings.

Very truly yours,


WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Alan Bohling
Chevron U.S.A., Inc.

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
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POST OFFICE BOX 2208
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TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

HAND-DELIVERED

RECEIVED

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

JUN 11 1990

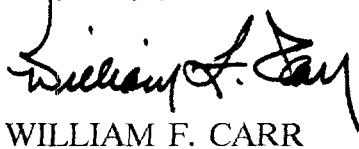
OIL CONSERVATION DIVISION

Re: Oil Conservation Division Case No. ~~9948~~:
In the Matter of the Application of Chevron U.S.A., Inc. for a Non-Standard
Proration Unit, Unorthodox Gas Well Locations, and Simultaneous
Dedication, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Amended Application of Chevron U.S.A. Inc. in the above-referenced case. Chevron U.S.A., Inc. respectfully requests that this matter be placed on the docket for the June 27, 1990 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Alan Bohling
Chevron U.S.A., Inc.

GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue
Santa Fe, New Mexico 87501
505 • 983 • 6686
Telefax No. 505 • 986 • 0741
Our File No. 90-1.34

June 22, 1990

J. E. Gallegos
George F. Bingham*
Michael L. Oja**
Joanne Reuter
Mary E. Walta †
Harry T. Nutter
Mary Ann R. Burmester***

VIA HAND DELIVERY

RECEIVED

JUN 22 1990

OIL CONSERVATION DIVISION

Mr. William J. LeMay, Director
Oil Conservation Division
Energy, Minerals & Natural Resources Department
State Land Office Building
Old Santa Fe Trail
Santa Fe, New Mexico 87504

RE: NMOCD Case Nos. 9994 and 9949

Dear Mr. LeMay:

Enclosed is the Request for Issuance of Subpoena and a Subpoena Duces Tecum seeking certain information from Chevron U.S.A., Inc. ("Chevron") which is necessary for Doyle Hartman, Oil Operator to prepare his case in support of his Application No. 9994. We would appreciate your advising us as soon as the Subpoena Duces Tecum is executed by you or an authorized Division representative so that we may serve it on Chevron as far in advance of the Examiner hearing as possible.

We have on this date provided a copy of this letter and the enclosed to William F. Carr, attorney for Chevron.

Your prompt attention to this matter will be greatly appreciated.

Sincerely,

GALLEGOS LAW FIRM

By *Harry T. Nutter*
HARRY T. NUTTER

HTN:ap

Enclosures

cc: Doyle Hartman, Oil Operator (w/enc.)
William F. Carr, Esq. (w/enc.)
Mr. Dan Nutter (w/enc.)

*Also admitted in the District of Columbia

**Also admitted in California

***Also admitted in TX

† Admitted only in C

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

RECEIVED

JUN 22 1990

**IN THE MATTER OF THE APPLICATIONS
OF DOYLE HARTMAN, OIL OPERATOR,
AND CHEVRON, U.S.A., INC. FOR
NON-STANDARD GAS PRORATION UNITS,
EUMONT GAS POOL, LEA COUNTY, NEW MEXICO**

OIL CONSERVATION DIVISION

CASE NOS. 9994 AND 9949

REQUEST FOR ISSUANCE OF SUBPOENA

Pursuant to Rule 1211 of the Rules on Procedure and §70-2-8 N.M.S.A. 1978, Doyle Hartman, Oil Operator ("Hartman") hereby requests the Oil Conservation Division ("Division") to issue a subpoena requiring Chevron U.S.A., Inc. ("Chevron") to produce all records concerning the formation by Chevron of proration units for the Eumont Gas Pool within Sections 4, 5, 6, 8 and 9, Township 21 South, Range 36 East, Lea County, New Mexico. In support thereof Hartman states, as follows:

1. Hartman filed an Application with the Division on June 5, 1990, subsequently assigned Case No. 9994, which seeks approval of a 320-acre, or alternatively a 280-acre, non-standard proration unit for the Eumont Gas Pool comprising portions of Sections 5 and 8, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and the compulsory pooling of the interest of Chevron in and under the NE/4 of said Section 8.

2. Although Hartman provided ample opportunity for Chevron to voluntarily cooperate in the forming of the non-standard proration unit sought in his Application No. 9994, Chevron has yet to respond to such proposal, and Hartman has been apprised by counsel for Chevron that Chevron will appear at the Examiner hearing in opposition to his Application No. 9994.

3. Chevron filed an Application with the Division on May 8, 1990, subsequently assigned Case No. 9949, which seeks approval of a 400-acre non-standard proration unit for the Eumont Gas Pool comprising portions of Sections 5 and 6 of the aforesaid Township and Range, which proration unit offsets the proration unit proposed by Hartman in Case No. 9994.

4. Both of the above Applications are set for hearing before a Division Examiner on Wednesday, July 27, 1990.

5. Upon information and belief, Chevron has filed a Form C-101 for permission to drill a well in Section 9 of the aforesaid Township and Range as a prelude to the formation of another proration unit for the Eumont Gas Pool, which proration unit probably will offset the proration unit proposed by Hartman in Case No. 9994.

6. Disclosure of Chevron's planned creation of the above offsetting proration unit or any other proration units offsetting the proration unit proposed by Hartman in Case No. 9994 is extremely relevant and the evidence is essential to a correct and full adjudication of Case No. 9994 and No. 9949. The information sought

is particularly relevant in light of the fact Chevron is contesting the non-standard Eumont gas proration unit proposed by Hartman in his Case No. 9994 while Chevron, it is believed, is simultaneously seeking approval of, or planning to seek approval of, offsetting Eumont proration units which will drain the proration unit proposed by Hartman in Case No. 9994.

WHEREFORE, Hartman respectfully requests the Division Director or his duly authorized representative to immediately issue the Subpoena Duce Tecum submitted herewith.

Respectfully Submitted,

GALLEGOS LAW FIRM, P.C.

By *Harry T. Nutter*

J.E. GALLEGOS

HARRY T. NUTTER

141 East Palace Avenue

Santa Fe, New Mexico 87501

(505) 983-6686

ATTORNEYS FOR

DOYLE HARTMAN, OIL OPERATOR

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

**IN THE MATTER OF THE APPLICATIONS OF
DOYLE HARTMAN, OIL OPERATOR AND
CHEVRON U.S.A., INC. FOR NON-STANDARD
PRORATION UNITS, EUMONT GAS POOL,
LEA COUNTY, NEW MEXICO**

CASE NOS. 9949 and 9994

SUBPOENA DUCES TECUM

TO: Mr. R.C. Anderson
Chevron U.S.A., Inc.
1923 Dal Paso
Hobbs, New Mexico 88240

YOUR ARE HEREBY COMMANDED, pursuant to Rule 1211 of the Division's Rules on Procedure and §70-2-8 N.M.S.A. 1978, to appear at the place, day and time specified below and produce for inspection and copying the documents described on the attached Exhibit "A".

PLACE

State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

DAY AND TIME

June 27, 1990
8:00 A.M.
Examiner Hearing

EXHIBIT "A"

DEFINITIONS

"Documents", "records" and any other such items requested to be produced mean every writing and record of every type and description in the possession, custody or control of Chevron U.S.A., Inc. 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, correspondence, memoranda, handwritten notes, minutes, entries in books of accounting, computer printouts, tapes, minutes of meetings, studies, contracts, agreements, books, pamphlets, schedules, pictures and voice recordings, videotapes and every other device or medium on which, or for which information of any type is transmitted, recorded or preserved and whether or not such documents or records are marked or treated as confidential or proprietary. The terms "documents" and "records" also mean a copy where the original is not in your possession, custody or control and every copy of the document where such copy is not an identical duplicate of the original.

"Subject Area" refers to Sections 4, 5, 6, 8 and 9, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

INSTRUCTIONS

Please provide at the time and place specified hereinabove the following:

1. All documents and records concerning the formation or anticipated formation by Chevron, either individually or with other producers, of any proration units for the Eumont Gas Pool within the Subject Area;

2. All agreements, correspondence, communications or negotiations with other producers, including Conoco, Inc., ARCO Oil & Gas Co., and Amoco Production Co., concerning the joint development or production of the Eumont Gas Pool with the Subject Area; and

3. All engineering studies, reserve evaluations, production data, and well cost projections relating to the development or production of the Eumont Gas Pool within the Subject Area and relied upon by Chevron for the formation of any proration units or the joint development or production of the Eumont Gas Pool within the Subject Area.

This Subpoena is issued upon the request of Doyle Hartman, Oil Operator through his attorneys, the Gallegos Law Firm, 141 East Palace Avenue, Santa Fe, New Mexico 87501, (505) 983-6686.

DATED this ____ day of June, 1990.

NEW MEXICO OIL CONSERVATION DIVISION

By: 

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

June 25, 1990

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

HAND-DELIVERED

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

RECEIVED
JUN 25 1990
OIL CONSERVATION DIVISION

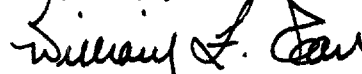
Re: Subpoena Duces Tecum: New Mexico Oil Conservation Division Case Nos.
9949 and 9994

Dear Mr. LeMay:

Enclosed is the motion of Chevron U.S.A. Inc., to quash the Subpcena Duces Tecum issued by the Division in the above-referenced cases requiring that certain information be presented at the June 27, 1990 Examiner hearing. I have on this date provided a copy of this Motion to Quash to J.E. Gallegos and Harry T. Nutter, attorneys for Doyle Hartman.

Since this matter is scheduled for hearing before a Division Examiner on June 27, 1990, Chevron requests that you proceed with your consideration of this Motion to Quash at the earliest possible time.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A. INC.

Enclosure

WFC:mlh

cc w/enc.: Mr. Alan Bohling
Chevron U.S.A. Inc.
Post Office Box 670
Hobbs, New Mexico 88240

J.E. Gallegos, Esq.
Harry T. Nutter, Esq.
Gallegos Law Firm
141 E. Palace Avenue
Santa Fe, New Mexico 87501

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

IN THE MATTER OF THE APPLICATION OF
CHEVRON U.S.A., INC. FOR A NON-
STANDARD GAS PRORATION UNIT,
UNORTHODOX GAS WELL LOCATION,
AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 9949

IN THE MATTER OF THE APPLICATION OF
DOYLE HARTMAN FOR COMPULSORY POOLING,
A NON-STANDARD GAS PRORATION UNIT,
AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 9994

MOTION TO QUASH SUBPOENA DUCES TECUM

CHEVRON U.S.A., INC. ("Chevron"), by its undersigned attorneys, Campbell & Black, P.A., hereby moves the Division to quash the Subpoena Duces Tecum issued by the Division in the above-referenced cases, which subpoena commands Chevron to appear before a Hearing Examiner of the Oil Conservation Division on June 27, 1990, and to produce those documents set forth in Exhibit "A" to the Subpoena Duces Tecum.

As grounds for its Motion to Quash Subpoena Duces Tecum, Chevron states the following:

1. The subpoena was not timely obtained and served on Chevron. Chevron's application in Case 9949 was filed on May 8, 1990 and scheduled for hearing before a Division Examiner on May 30, 1990. At the hearing, Hartman appeared in opposition to

the application and, due to an error in the legal advertisement of the case, the case was continued for four weeks. Although Hartman was aware of Chevron's application on or before May 30, 1990, Hartman did not serve the Subpoena Duces Tecum on Chevron until June 25, 1990 -- approximately forty-eight (48) hours prior to the hearing. Although Hartman had known for approximately four weeks that Chevron intended to go forward with its application at the June 27, 1990 Examiner hearing, he waited to subpoena records from Chevron until there was insufficient time to reasonably respond.

2. The application of Chevron in Case 9949 involves Chevron acreage in Lots 11 through 14 of Section 5 and Lots 15 and 16 in the SE/4 of Section 6 all in Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Although Chevron's application is limited to these lands, Hartman seeks substantial information on "the formation or anticipated formation" of any Eumont proration unit in Sections 4, 5, 6, 8, and 9 of Township 21 South, Range 36 East. None of the data sought by Hartman is relevant to Chevron's proposal for the development of his own acreage in Sections 5 and 6. The information sought, therefore, is irrelevant, not reasonably related to the issues presented to the Division in this case and the subpoena should be quashed.

3. In paragraph 2 of the instructions to Hartman's subpoena, Hartman requests "All Agreements, correspondence, communications or negotiations with other producers ... concerning the joint development of production of the Eumont Gas Pool with the subject area" With this subpoena Hartman seeks information concerning contractual matters which are not within the jurisdiction of the Oil Conservation Commission. Hartman should not be permitted to use the Oil Conservation Division to compel

disclosure of matters outside its jurisdiction and the subpoena should be quashed.

4. In paragraph 3 of the instructions to the Subpoena Duces Tecum, Hartman requests "All engineering studies, reserve evaluations, production data, and well cost projections relating to the development or production of the Eumont Gas Pool within the subject area (Sections 4, 5, 6, 8 and 9) and relied upon by Chevron for the formation of any proration units or joint development or production of the Eumont Gas Pool within the subject area." With this request Hartman seeks to compel production of information that has been developed at substantial cost by Chevron and other operators in the area. The data is the property of Chevron and those other operators who have incurred the expense of developing the information. The data sought is of the proprietary and confidential nature which the Oil Conservation Division has protected in the past. None of the data sought is necessary for Mr. Hartman to proceed with his own plans to develop his own acreage in the Eumont pool. The data sought is therefore irrelevant, and not reasonably related to the issues presented to the Division in Cases 9949 and 9994 and the Subpoena Duces Tecum should be quashed.

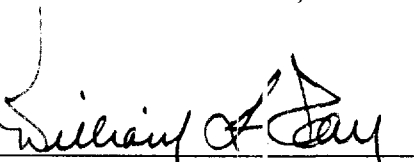
5. Chevron states that it is willing to produce the information sought by subpoena to the Hearing Officer but asserts that the requested information is proprietary and confidential in nature and, therefore, will request that the Division keep the information confidential pursuant to its Rule 1105 and otherwise protect the information from disclosure to third parties.

WHEREFORE, Chevron U.S.A., Inc. requests that the Division Quash the Subpoena Duces Tecum or in the alternative direct that the requested information be produced only

to the Hearing Examiner for his review and inspection. Further, Chevron requests that the Division protect this proprietary information and undertake appropriate measures to assure that it will not be inadvertently disclosed to third parties.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 

WILLIAM F. CARR

Post Office Box 2208

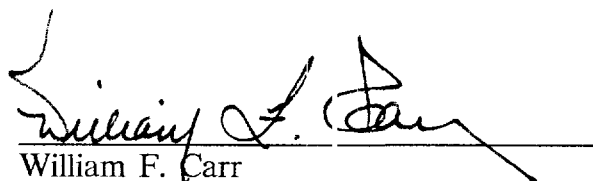
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR CHEVRON U.S.A. INC.

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be hand-delivered a true and correct copy of Motion to Quash Subpoena Duces Tecum to J.E. Gallegos, The Gallegos Firm, 141 E. Palace Avenue, Santa Fe, New Mexico 87501 on this 25th day of June, 1990.


William F. Carr



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

GARREY CARRUTHERS
GOVERNOR

October 29, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. William F. Carr
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NC. 9949
ORDER NO. R-9329

Applicant:

Chevron U.S.A., 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	

Other J. E. Gallegos