

**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

JASON KELLAHIN (RETIRED 1991)

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

March 28, 2002

**HAND DELIVERED**

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**MOTION TO CONTINUE**

- Re: Case 12845  
Application of EnerQuest Resources, LLC  
for statutory unitization, Lea County, New Mexico
- Re: Case 12846  
Application of EnerQuest Resources, LLC  
for approval of a waterflood project,  
Lea County, New Mexico

RECEIVED  
MAR 28 PM 1:55

Dear Ms. Wrotenbery:

On behalf of the Key Family Group, working interest owners in Tract 5 and 6 identify in Exhibit "B" attached, we request that the reference cases set for hearing of the Examiner's docket for April 4, 2002, be continue to a special examiner docket the date of which should be as agreed by the parties.

Very truly yours,



W. Thomas Kellahin

- cc: David K. Brooks,  
Division Attorney  
Michael E. Stogner, Examiner  
James Bruce, Esq.,  
Attorney for Lynx  
William F. Carr, Esq.  
Attorney for Enerquest Resources, LLC  
T. Scott Hickman

3-29-02 Talked w/ Kelvin about there  
request to continue to a special  
doctet.

Will want to talk w/ Bruce and Carr  
on Monday

Once-daily  
**Avapro**<sup>®</sup>  
(irbesartan) 150/300 mg Tablets

Once-daily  
**Avalide**<sup>®</sup>  
(irbesartan/hydrochlorothiazide) 150/12.5 mg Tablets / 300/12.5 mg Tablets

As soon as pregnancy is detected, discontinue AVAPRO or AVALIDE (see boxed WARNING regarding Use in Pregnancy in the accompanying full prescribing information).  
Item #59-991887

B2-P014R

Florence, I understand this  
was agreed to be continued to

4-18-2002 so we can get  
together and schedule a  
special meeting

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COPIES 28 PM 1:55  
10/11

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Attorney for Lynx  
William F. Carr, Esq.  
Attorney for Enerquest Resources, LLC  
T. Scott Hickman

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

**IN THE MATTER OF THE APPLICATION      CASE NO. 12845  
OF ENERQUEST RESOURCES, LLC  
FOR STATUTORY UNITIZATION  
LEA COUNTY, NEW MEXICO**

**IN THE MATTER OF THE APPLICATION      CASE NO. 12846  
OF ENERQUEST RESOURCES, LLC  
FOR A WATERFLOOD PROJECT  
LEA COUNTY, NEW MEXICO**

**KEY FAMILY GROUP'S  
MOTION TO CONTINUE**

Comes now the Key Family Group, being the working interest owner set forth on Exhibit "B", by its attorneys, Kellahin and Kellahin, hereby moves the Division to continue Case 12845 and 12846 set for hearing of the Examiner's docket for April 4, 2002, to a special examiner docket the date of which should be as agreed by the parties.

**BACKGROUND**

- (1) Enerquest Resources, LLC is seeking approval of a statutory unit and an waterflood project for a certain unit area. **See Exhibit "A"**
- (2) The Key Family Group represents approximately 20% and 27.6% of the working interest owners plus a royalty interest in Tracts 5 and 6 on Exhibit A. Those owners are identified on the attached exhibit. **See Exhibit "B"**
- (3) The Key Family Group has retained Mr. T Scott Hickman, an independent petroleum engineer, in Midland Texas, to evaluate this project.

(4) Mr. Hickman's preliminary review, based upon the data filed with the application, indicates there is no justification for the waterflood or the applicant's proposed participation formula.

(5) EnerQuest made a significant change in the waterflood development plan from what was proposed in the feasibility report without providing the interested parties any supporting documentation other than an AFE.

(6) Mr. Hickman has contacted Mr. Chris Bezner, of Enerquest Resources, who is the project engineer for the applicant and has requested additional data from Enerquest which is necessary in order to further evaluate the feasibility of the project and the appropriateness of EnerQuest's proposed participation formula.

(7) EnerQuest has not yet provided the necessary data to Mr. Hickman.

(8) In the event that EnerQuest failed to provide Mr. Hickman with all of the necessary data, the Key Family Group will obtain a subpoena for production of that data at the April 4, 2001 hearing date.

(9) The hearing of these cases currently set for April 4, 2002, will not allow sufficiently time for Mr. Hickman to evaluate this project.

(10) Contested Statutory Unitization cases are extremely complex and will require one or two days to present.

Respectfully submitted,



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

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing pleading was transmitted by facsimile this 9th day of March, 2002 to James Bruce, attorney for Lynx et al, and to William F. Carr, attorney for EnerQuest Resources, LLC



W. Thomas Kellahin



**EXHIBIT "B"**  
**KEY FAMILY GROUP**

Hugh B. Key, II

Julie Ann Hopkins Trust

Mark Collver Hopkins Trust

Anne Key Davis

Kite Royalty Co., LLC

White Star Royalty, LLC

**KELLAHIN AND KELLAHIN**

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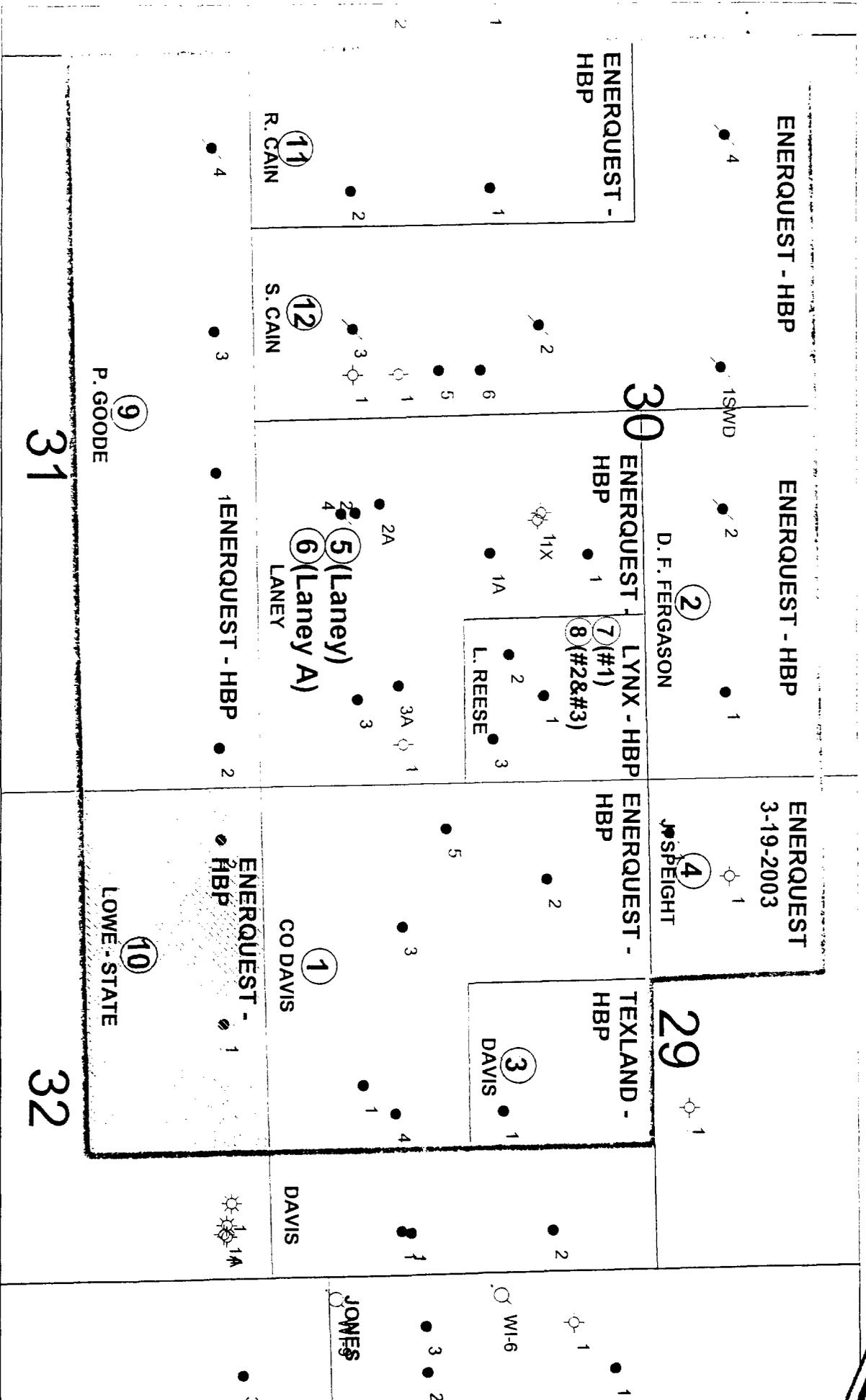
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W. Thomas Kellahin



<input type="checkbox"/>	State Lands 80 acres (8.7%)
<input type="checkbox"/>	Patented Lands 840 acres (91.3%)

③ Tract Number Unit Outline

**EXHIBIT A**

<b>ENERQUEST RESOURCES, LLC</b>	
<b>EAST HOBBS (SAN ANDRES) UNIT</b>	
<b>920 ACRES</b>	
Lea County, New Mexico	
T18S - R39E	
Project:	Date: 1 Jan, 2002
Area:	Scale: 1"=1000'
Prospect:	Geologist:
	Geophysicist:
	Engineer:

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**KEY FAMILY GROUP**

Hugh B. Key, II

Julie Ann Hopkins Trust

Mark Collver Hopkins Trust

Anne Key Davis

Kite Royalty Co., LLC

White Star Royalty, LLC

HOLLAND & HART <sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

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110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

April 12, 2002

**VIA HAND DELIVERY**

Ms. Lori Wrotenbery  
Oil Conservation Division  
New Mexico Energy, Minerals and  
Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87504

Re: Case No. 12845: Application of EnerQuest Resources, L.L.C. for  
Statutory Unitization, Lea County, New Mexico.

Case No. 12846: Application of EnerQuest Resources, L.L.C. for  
Approval of a Waterflood Project and Qualification of the Project Area  
for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery  
Act, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed is Enerquest Resources, L.L.C.'s Response and Motion to Quash  
Subpoena Duces Tecum in the references cases. Please call if you have any questions.

Very truly yours,



William F. Carr

WFC:keh

Enclosure

cc: Robert Floyd

02 APR 12 PM 3:27

01 00 00 00 00 00