

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

APPLICATION OF FASKEN OIL &  
RANCH LTD., FOR AN ORDER AUTHORIZING  
AN ADDITIONAL WELL IN THE "POTASH AREA"  
AT AN UNORTHODOX WELL LOCATION,  
LEA COUNTY, NEW MEXICO

CASE NO. 14116

**FASKEN'S RESPONSE TO INTREPID'S SECOND SUBPOENA DUCES TECUM**

Fasken Oil & Ranch Ltd., ("Fasken") provides the following response to the Subpoena Duces Tecum (Second) issued on June 5, 2008, at the request of Intrepid Potash – New Mexico, LLC.

**REQUEST FOR DOCUMENTS TO BE PRODUCED**

**Request No. 1:** Produce all documents that relate to the safety aspects of oil and gas drilling and well operation and abandonment.

**Requests No. 4:** Produce all documents that relate to Fasken's safety policies, procedures, and safeguards for oil and gas drilling and well operation and abandonment in the potash area of New Mexico, with respect to both the prevention of and response to well failure. This request specifically includes, without limitation, Fasken's written procedures and practices for ongoing monitoring of active and abandoned wells, including pressure testing and Fasken's methods of ensuring that its contractors honor these procedure and practices.

**Response to Request Nos. 1 and 4:** Fasken objects to these requests as vague, overly broad and unlikely to lead to the discovery of admissible evidence. While Fasken has a general safety manual, it contains nothing specific to drilling, operation and abandonment of wells in the Potash Area. The "safety aspects of oil and gas drilling and well operation and abandonment" in the Potash Area are governed by Division Rule R-111-P and other applicable Division rules.

**Request No. 2:** Produce all documents that relate to any uncontrolled oil or gas flow from a well, blowout, failed pressure test, mechanical integrity issues, casing leaks and failures, or any other instance where an oil or gas well failed to perform according to expectations and specifications.

**Request No. 3:** Produce all documents that relate to the premature abandonment of an oil or gas well due to issues with the mechanical integrity of the well or otherwise.

**Response to Request Nos. 2 and 3:** To the extent that this request seeks documents or information for wells outside the Potash Area, Fasken objects as vague, overly broad, and unlikely to lead to the discovery of admissible evidence. Since Fasken has not experienced any problems with wells in the Potash Area, it does not have any responsive documents for this area.

**Request No. 5:** Produce all documents that evidence the bonding and insurance measures that Fasken has in place to respond to a well failure that could cause an accident in a potash mine or otherwise pose a hazard to underground potash miners, or that could cause the mine to be classified as a "gassy mine" under federal Mining Safety and Health Administration regulations requiring a retrofit of the mine and the attendant costs of such a reclassification.

**Response:** Fasken is not aware of any bonding or insurance requirements specific to the Potash Area. Fasken will produce documents evidencing its statewide bond and insurance policies applicable to its New Mexico operations in response to this request .

**Request No. 6:** Produce all documents that relate to Fasken's participation in the Bureau of Land Management's current study of gas migration and oil and gas well safety in the potash area of New Mexico.

**Response:** Fasken is not aware of any responsive documents

**Request No. 7:** Produce all documents that relate to any well in which Fasken has an ownership interest that has been directionally drilled, as well as all documents that relate to directional drilling of the Laguna #2 well from the pad of the existing Laguna #1 well in Section 16, such as cost estimates.

**Response:** To the extent that this request seeks documents for wells outside the Potash Area and involving producing horizons other than the deep Morrow sands, Fasken objects as unlikely to lead to the discovery of admissible evidence. To the extent Fasken creates costs estimates and any other documents for drilling the Laguna No. 2 from the well pad in the SE/4 SE/4 of Section 16, Fasken will produce these documents at a mutually agreed upon time for exchange of hearing exhibits.

**Request Nos. 8:** Produce all documents that relate to value comparisons of oil and gas and potash or otherwise relating to economic analyses of oil and gas and potash.

**Request No. 9:** Produce all documents that relate to the resource development conflict between oil and gas and potash in the potash area of New Mexico, including without limitation any correspondence with any other oil and gas company owning any oil and gas interest in the New Mexico potash area.

**Responses to Requests 8 and 9:** Fasken objects to requests for documents related to “value comparisons” and “resource development conflict” between oil and gas and potash as vague and overly broad. Fasken is not aware of any documents in its possession potentially responsive to these vague requests other than Intrepid’s objection letter and filings in this matter. The request for “any correspondence” with “any other” oil and gas company owning “any” oil and gas interest in the Potash Area is also vague, overly broad, and unlikely to lead to the discovery of admissible evidence.

Respectfully submitted,

**HOLLAND & HART, L.L.P.**



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**ATTORNEYS FOR FASKEN OIL AND RANCH, LTD.**

**CERTIFICATE OF SERVICE**

I certify that on June 16, 2008, I served a copy of the foregoing document to the following by Hand Delivery to:

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