

COMEAU, MALDEGEN, TEMPLEMAN & INDALL, LLP

Joseph E. Manges
jmanges@cmtisantafe.com

Attorneys at Law
Coronado Building, 141 E. Palace Avenue
Post Office Box 669
Santa Fe, New Mexico 87504-0669
Telephone (505) 982-4611
Facsimile (505) 988-2987
cmti@cmtisantafe.com

G. Stanley Crout
1937-1987
Charles D. Olmsted
1925-1991

June 3, 2008

Hand Delivered

David K. Brooks, Legal Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Case No. 14116, Fasken Oil Subpoena (Second)

Dear Mr. Brooks:

Enclosed please find a second subpoena directed to Fasken Oil and Ranch for the production of documents pertaining to certain safety and other issues. Please execute and let us know when it is ready. Thank you.

Floris
Please call Mr. Manges.
JEM

Very truly yours,

J. E. Manges
Joseph E. Manges

JEM/cat

Enclosure

cc: Michael H. Feldewert, Esq. (w/encl.)

K:\NNTREPID_1577-001.letter\Brooks 6-3-08.doc

**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:**

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

Case No. 14116

**SUBPOENA DUCES TECUM
(SECOND)**

TO: Fasken Oil & Ranch, Ltd.
c/o Michael H. Feldewert, Esq.
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, New Mexico 87504

Pursuant to Section 70-2-8, N.M.S.A. (1978) and Rule 1214 of the New Mexico Oil Conservation Division's Rules of Procedure, YOU ARE HEREBY COMMANDED to appear on June 13, 2008 at 9:30 a.m. at Comeau, Maldegen, Templeman & Indall, 141 E. Palace Ave., Suite 200, Santa Fe, New Mexico 87504, (505) 982-4611 and produce for inspection and copying the documents described on the attached Exhibit "A".

This subpoena is issued on the Application for Permit to Drill of Fasken Oil & Ranch, Ltd., and the Request of Intrepid Potash – New Mexico, LLC for a hearing on Intrepid's Protest to said application.

DATED this _____ day of June 2008.

New Mexico Oil Conservation Division

By _____
Mark E. Fesmire, PE
Director

EXHIBIT A TO SUBPOENA DUCES TECUM (SECOND)

Produce the following documents and identify each paragraph as to which each document is responsive:

1. Produce all documents that relate to the safety aspects of oil and gas drilling and well operation and abandonment.
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.
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.
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 procedures and practices.
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.
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.
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.
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.
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

1
limitation any correspondence with any other oil and gas company owning any oil and gas interest in the New Mexico potash area.