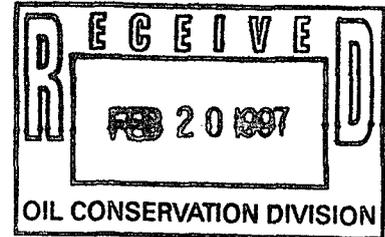


BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

**APPLICATION OF GILLESPIE-CROW,
INC. FOR UNIT EXPANSION, STATUTORY
UNITIZATION, AND QUALIFICATION OF
THE EXPANDED UNIT AREA FOR THE
RECOVERED OIL TAX RATE AND
CERTIFICATION OF A POSITIVE PRODUCTION
RESPONSE PURSUANT TO THE "NEW MEXICO
ENHANCED OIL RECOVERY ACT,"
LEA COUNTY, NEW MEXICO.**



No. 11724

ACCEPTANCE OF SERVICE OF SUBPOENA DUCES TECUM

I, James G. Bruce, Esq., the attorney of record for Gillespie-Crow, Inc., hereby accepts service of the original Subpoena Duces Tecum dated February 18, 1997 issued in this matter to Gillespie-Crow, Inc., on this 19th day of February, 1997.

A handwritten signature in cursive script that reads "James Bruce". The signature is written over a horizontal line.

James G. Bruce
612 Old Santa Fe Trail
Suite B
Santa Fe, New Mexico 87501

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF GILLESPIE-CROW,
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ENHANCED OIL RECOVERY ACT,"
LEA COUNTY, NEW MEXICO.**

RECEIVED

FEB 19 1997

Oil Conservation Division

No. 11724

SUBPOENA DUCES TECUM

TO: Gillespie-Crow, Inc.
c/o James Bruce, Esq.
612 Old Santa Fe Trail
Suite B
Santa Fe, NM 87501

Pursuant to Section 70-2-8, NMSA (1978) and Rule 1211 of the New Mexico Oil Conservation Division's Rules of Procedure, you are hereby ORDERED to appear at 8:15 a.m., March 6, 1997, at the offices of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505 and to produce the documents and items specified in attached Exhibit A and to make available to Yates Petroleum Company and Hanley Petroleum Inc. and their attorney, William F. Carr, for copying, all of said documents.

This subpoena is issued on application of Yates Petroleum Company and Hanley Petroleum Inc. through their attorneys, Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208, Santa Fe, New Mexico 87504.

Dated this 19th day of February, 1997.

NEW MEXICO OIL CONSERVATION DIVISION

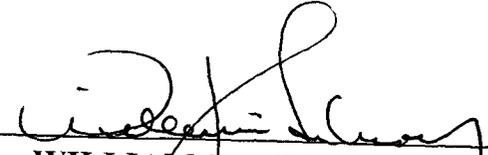
BY: 
WILLIAM J. LEMAY, DIRECTOR

EXHIBIT "A"

**TO SUBPOENA DUCES TECUM
TO GILLESPIE-CROW, INC.
IN NEW MEXICO OIL CONSERVATION DIVISION
CASE 11724**

PURPOSE: The purpose of this subpoena is to provide all of the information necessary for Yates Petroleum Company and Hanley Petroleum Inc. to be able to prepare its opposition to Gillespie-Crow, Inc. in NMOCD Case 11724.

I. PRODUCE THE FOLLOWING DOCUMENTS:

A. DOCUMENTS:

1. Fully executed Unit and Unit Operating Agreements (including all exhibits) for the West Lovington Strawn Unit;
2. Fully executed Operating Agreements (and all exhibits attached thereto) in existence prior to the formation of the West Lovington Strawn Unit;
3. All contracts for the sale and/or purchase of oil and gas from the West Lovington Strawn Unit or other documents related thereto;
4. All correspondence, documents, reports, opinions, recommendations, and studies concerning the establishment of an enhanced oil recovery (EOR) project in the West Lovington Strawn Unit;
5. All data used to qualify the West Lovington Strawn Unit for production tax credit for EOR projects;
6. Operating and financial history of the West Lovington Strawn Unit including, but not limited to, sales volumes, production proceeds, lease operating expenses, gas purchases, compression costs, and applicable taxes;
7. A complete production history (monthly and daily, when recorded) of all wells operated by Gillespie in the West Lovington Strawn Unit Area,¹ on a well by

1

The West Lovington Strawn Unit Area is defined as the area encompassing the following Sections: Sections 27, 28, 29, 32, 33, and 34, T5S R35E; northern third of Sections 1 and 2, T6S 35E; and northern third of Section 6, T6S 36E.

well basis including, but not limited to, oil, gas and water production, choke sizes and surface tubing and casing pressures;

8. All lease files for each tract in the West Lovington Strawn Unit Area;
9. All well files for each well in the West Lovington Strawn Unit Area, including such data as:
 - drilling and completion report
 - all forms filed with government agencies
 - well bore diagrams
 - perforating records
 - workover reports
 - pressure tests
 - production tests
 - core analysis
 - all logs and logging records
 - fluid (oil/gas/water) tests and analyses
 - oil-in-place and reserves calculations
 - reserves studies
 - well history
 - drill stem tests (DST) and repeat formation tests (RFT)
 - directional surveys
10. All pressure data on all wells in the West Lovington Strawn Unit including bottomhole pressure and shut-in wellhead pressure data on all operated wells in the West Lovington Strawn Unit Area;
11. All core descriptions and analyses reports for any and all coring done on wells in the West Lovington Strawn Unit Area;
12. Mud logs on all wells in the West Lovington Strawn Unit Area;
13. All reservoir studies for the West Lovington Strawn Pool (in-house and third party);
14. All DST data and RFT data on each well in the West Lovington Strawn Unit Area;
15. All reserves reports on each well in the West Lovington Strawn Unit Area prepared by Gillespie or others both formal and informal in presentation;

16. Daily gas injection volumes and injection pressures with supporting charts from inception of the West Lovington Strawn Unit to date along with supporting forms filed with regulatory agencies evidencing same and all injection gas analyses;
17. All seismic records in tape form, a shot point map and coverage plat along with interpretation of the data which relate to the West Lovington Strawn Unit Area or well utilized in the formation of the West Lovington Strawn Unit;
18. All correspondence between Gillespie-Crow and PG&E (and its successors) concerning the West Lovington Strawn Unit;
19. All data utilized in the determination of the outer boundary (zero production limit) of the West Lovington Strawn Pool/Unit;
20. All pressure/volume/temperature (PVT) fluid analyses for oil produced from the West Lovington Strawn Pool;
21. Any relative permeability measurements for displaced or displacing fluids;
22. Any pressure buildup or draindown tests indicated within the West Lovington Strawn Pool; and
23. All fluid (oil/gas/water) analyses performed on fluids removed from the West Lovington Strawn Pool.

INSTRUCTIONS

This Subpoena Duces Tecum seeks all information available to you or in your possession, custody or control from any source, wherever situated, including but not limited to information from any files, records, computers documents, employees, former employees, consultants, counsel and former counsel. It is directed to each person to whom such information is a matter of personal knowledge.

When used herein, "you" or "your" refers to the person or entity to whom this Subpoena Duces Tecum is addressed to including all of his or its attorneys, officers, agent, consultants, employees, directors, representatives, officials, departments, divisions, subdivisions, subsidiaries, or predecessors.

The term "document" as used herein means every writing and record of every type and description in the possession, custody or control of Gillespie-Crow, 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, papers, books, writings, records, letters, photographs, computer disks, tangible things, correspondence, communications, telegrams, cables, telex messages, memoranda, notes, notations, work papers, transcripts, minutes, reports and recordings of telephone or other conversations or of interviews, conferences, or meetings. It also includes diary entries, affidavits, statements, summaries, opinions, reports, studies, analyses, evaluations, contracts, agreements, jottings, agenda, bulletins, notices, announcements, plans, specifications, sketches, instructions charts, manuals, brochures, publications, schedules, price lists, client lists, journals, statistical records, desk calendars, appointment books, lists, tabulations sound recordings, computer printouts, books of accounts, checks, accounting records, vouchers, and invoices reflecting business operations, financial statements, and any notice or drafts relating to the foregoing, without regard to whether marked confidential or proprietary. It also includes duplicate copies if the original is unavailable or if the duplicate is different in any way, including marginal notations, from the original.