STATE OF NEW MEXICO NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION COMMISSION

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

Case No. 12289 Order No. R-10864-B **DE NOVO**

APPLICATION OF GILLESPIE OIL, INC. AND ENERGEN RESOURCES CORPORATION TO AMEND COMMISSION ORDER NO. R-1086-A 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.

SUBPOENA DUCES TECUM

TO: Snyder Ranches, Inc. c/o W. Thomas Kellahin Kellahin & Kellahin 117 North Guadalupe Street Santa Fe, New Mexico 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 9:00 a.m., May 26, 2000, at the offices of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505 and to produce and make available to Energen Resources Corporation and its attorney, J. Scott Hall, Esq., for copying, the documents and items specified below.

This subpoena is issued on application of Energen Resources Corporation through their attorneys Miller, Stratvert & Torgerson, P.A., Post Office Box 1986, Santa Fe, New Mexico 87504.

- 1. All leases, contracts, agreements, correspondence or other materials relating to the Subject Lands (specified in Exhibit A, attached hereto) or the Subject Wells (Specified in Exhibit B, attached hereto) sent to or received from Charles B. Gillespie, Jr., William Crow, Gillespie Oil, Inc., or Gillespie-Crow, Inc.
- 2. All leases, contracts, agreements, correspondence or other materials relating to royalty interest owner participation in production revenues before and after the payout of drilling, completion, and equipping costs for any well located on the Subject Lands, including materials relating to Article 10.4 of the Unit Operating Agreement for the West Lovington Strawn Unit or Attachment D to NMOCD Order No. R-10864-B.
- 3. All leases, contracts, agreements, correspondence or other materials relating to the expansion of the West Lovington Strawn Unit to include any portion of the Subject Lands or the Subject Wells.

Dated this Lay of May, 2000.

NEW MEXICO OIL CONSERVATION COMMISSION

Lori Wrotenbery, Chairman

EXHIBIT 'A'

SUBJECT LANDS

WEST LOVINGTON STRAWN UNIT AREA

TOWNSHIP 15 SOUTH RANGE 35 EAST NMPM

 Section 28:
 S/2 SE4

 Section 28:
 S/2 SW/4

 Section 32:
 E/2 E/2

 Section 33:
 All

 Section 34:
 All

 Section 35:
 W/2 SW/4

TOWNSHIP 16 SOUTH RANGE 35 EAST NMPM

Section 1: Lots I through 8

Irregular Section 1: Lots 9, 10, 11, and the N/2 and SE/4 equivalents of 12

TOWNSHIP 16 SOUTH RANGE 36 EAST NMPM

Irregular Section 5: Lots 3, 4 and 5
Irregular Section 6: Lots 3 through 5
Irregular Section 6: Lots 1, 2, 6, 7 and 8

EXHIBIT 'B'

SUBJECT WELLS

WEST LOVINGTON STRAWN UNIT AREA

- (a) State "S" Well No. 1 (API No. 30-025-33068), redesignated the WLSU Well No. 12, located 1650 feet from the South and East lines (Unit J) of Section 34, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico.
- (b) Charles B. Gillespie, Jr. Snyder "EC" Com. Well No. 1 (API No. 30-025-33219), located 1346 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) of irregular Section 6, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico.
- (c) Charles B. Gillespie, Jr. Snyder "C" Com. Well No. 4 (API No. 30-025-34282), located 510 feet from the North line and 990 feet from the East line (Lot 1/Unit A) of irregular Section 6, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico.
- (d) Energen Resources Corporation Beadle Well No. 1 (API No. 30-025-34606), located 330 feet from the South line and West lines (Unit M) of Section 35, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico.
- (e) Charles B. Gillespie, Jr. Snyder "F" Well No. 3 (API No. 30-025-34645), located 655 feet from the North line and 330 feet from the West line (Lot 4/Unit D) of Section 5, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico.