

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

IN THE MATTER OF THE APPLICATION OF
DKD, LLC FOR AN ORDER REVOKING THE
INJECTION AUTHORITY FOR THE GANDY
CORPORATION STATE "T" WELL NO. 2,
LEA COUNTY, NEW MEXICO

CASE NO. 13686

SUBPOENA DUCES TECUM

TO: GANDY CORPORATION
c/o Lewis C. Cox, III
311 North First Street
Lovington, New Mexico 88260

2006 APR 10 PM 4:03

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., April 18, 2006 at the offices of the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 and to produce and make available to DKD, LLC and their attorney, J. Scott Hall, Esq., for copying, the documents and items specified in Exhibit "A", attached.

This subpoena is issued on application of DKD, LLC through its attorneys Miller Stratvert P.A., Post Office Box 1986, Santa Fe, New Mexico 87504.

Dated this ___ day of April, 2006.

NEW MEXICO OIL CONSERVATION DIVISION

By: *David K. Brooks*
Assistant General Counsel
By: _____
Mark Fesmire, Director

EXHIBIT A

For the Gandy Corporation State T SWD Well No. 2 (API 30-025-03735);
4290' FSL and 500' FWL, Lot 12, Section 6, T16S, R36E, NMPM,
Lea County, New Mexico:

1. The complete unedited well file, casing pressure logs, injection pressure logs, and all reports, permits, approvals and notices provided to or received from any jurisdictional regulatory agency, including the New Mexico Oil Conservation Division.
2. All documents and materials related to Division Order No. IPI-264 dated December 19, 2005, including but not limited to the request received by the NMOCD on December 15, 2005 to increase the surface injection pressure on the State T Well No. 2.
3. All documents related to the step-rate test conducted on the State T Well No. 2 on November 23, 2005, including the results of this step-rate test and any associated data.
4. The most recent well bore schematic relating to the location of all well bore perforations, casing plugs and packers.
5. All tracer surveys, temperature survey logs and cement bond logs run on the State T Well No. 2 since the time of those tracer surveys and logs that Gandy Corporation was directed to run pursuant to Order No. R-12171 dated July 9, 2004.
6. All documents relating to any cement squeeze jobs performed on the well.
7. Copies of all notices provided to the NMOCD Hobbs District office of the date and time of changes in packer, tubing, mechanical integrity tests, or any other work performed on the well.
8. All documents relating to the failure of the tubing, casing or packer in the disposal well or the leakage of water, oil or gas from or around the well or any producing or a plugged and abandoned well in the area.