

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

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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING: 2011 APR -4 P 12:44

APPLICATION OF FARLEIGH OIL PROPERTIES FOR A COMPLIANCE ORDER AGAINST SWEPI LP AND SHELL EXPLORATION AND PRODUCTION COMPANY, GUADALUPE COUNTY, NEW MEXICO.

Case No. 14,583

**FARLEIGH OIL PROPERTIES' RESPONSE
TO DAVID SENNEWAY'S AFFIDAVIT DATED MARCH 8, 2011**

Farleigh Oil Properties ("Farleigh") submits this Response to the Affidavit of David Senneway dated March 8, 2011, submitted on behalf of Shell Exploration and Production Company and SWEPI LP (collectively, "Shell"). Farleigh does not agree with Mr. Senneway's self-serving interpretation of the definition of multiple completions as it relates to these five wells and their corresponding APD's, C-103s, and C-105s. Please refer to Farleigh's Exhibit booklet.

PARAGRAPH NO. 4 OF DAVID SENNEWAY'S AFFIDAVIT

Exhibit FOP 3-3 is the Form C-103 filed on April 8, 2010 for the Latigo Ranch 2-34 well. In Item 13 (highlighted in green), Shell clearly states "No. of Completions: 7." On the attached page of this same document, Shell identifies seven (7) perforated intervals and the dates of same. Shell's APD for this same well, Exhibit FOP 3-1 approved May 15, 2008, contemplates perforating, fracturing, and testing individual and commingled zones.

Farleigh has taken the liberty to place a dotted line on the attached Page 2 of Exhibit FOP 3-3 to emphasize that a perforation crew was on location on September 27, 2009, and they perforated S₁ (13,722' - 13,790') and S₂ (13,402' - 13,510"), as correlated with Mr. Senneway's Attachment A submitted on March 9, 2011. These two intervals were tested, according to Attachment A and Exhibit FOP 3-4 (a C-103 dated April 14, 2010), either individually or jointly from September 17 - October 2, 2009. Choke size for 9-21 thru 9-23, 2009 is omitted in Mr. Senneway's Attachment A.

According to the attached page 2 of Exhibit FOP 3-3 (**Exhibit A**), a second perforation crew performed additional completions from November 10 - 14, 2009. By any measure, the appearance of a second perforation crew and subsequent testing confirms these were multiple completions. The reason Shell tests each zone or zones separately is the same reason that the Division requires them to be reported separately -- that is, what production can be expected under what circumstances. Interestingly, S₃ as defined in Attachment A was tested for seven (7) hours on the day before it was perforated on 11/10/2009. No choke size is listed for the testing of S₃.

Mr. Senneway's Attachment A indicates that the S₃ - S₇ intervals were tested together from 11/29/09 thru 12/12/09 with either two different choke sizes or a range of choke sizes. This sloppy data reporting does not allow the Division to determine the choke size, the pressure, and production from these zones. This is why the Division requires individual reporting in Items 11, 12, 26-31 for each zone on C-105s.

Farleigh also refers you to Exhibit FOP 1-7 (the C-103 for the Webb CD No. 1 dated May 19, 2010). Highlighted in green, Shell identifies "12" Recompletions, and just to the right identifies the No. of Former Perf Intervals Cemented as "10." On the attached page 2 (**Exhibit B**), Shell titles its work as "Re-Completions Casing Record." Shell definitely means 12 more completions, not one completion in 12 zones.

Finally, Farleigh notes that Attachment A, in many instances, contains "average" casinghead and flowing-tubing pressures. Such data is useless. Individual pressure reporting is required.

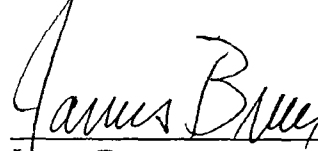
REPORTING ALL DATA REQUIRED BY DIVISION REGULATIONS

Farleigh will be satisfied if Shell simply complies with Division Regulations as it pertains to reporting. Farleigh concedes Shell has now submitted all electric logs for all five (5) wells, albeit tardy and delinquent for as much as 16 months, and only after Farleigh was forced to expend time, money, and hire attorneys.

The remaining issue is the reporting of data required by Division Regulations and forms. Farleigh submitted on February 17, 2011 a list of data Shell needs to report under the Division Regulations. Shell continues to stall by furnishing data piece-by-piece, and now has the audacity to request the Division to grant its stamp of approval before Shell prepares the revised forms.

Shell's attorney and Shell's staff can read the directions on Forms C-103 and C-105 and the Regulations as easily as Farleigh can. The requests for Shell's data began with Mr. Ed Martin in February 2010, and subsequently in letters and Pre-hearing Conferences remains unanswered -- each tested zone needs to be reported separately per instruction on the forms and in the Regulations so the Division and the public can use the data in a meaningful way. If Shell continues this game, Farleigh will subpoena all Shell employees responsible for reporting and all contractors involved with the testing programs and the completions. This data is now 16 months delinquent.

Respectfully submitted,



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CERTIFICATE OF SERVICE


I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 4th day of April, 2011 by facsimile transmission:

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ADDITIONAL DETAILS

Perf. Intervals	Perf. Date
11,776'-11,836'	11/14/09
12,604'-12,706'	11/13/09
13,006'-13,093'	11/12/09
13,180'-13,254'	11/11/09
13,290'-13,372'	11/10/09
13,402'-13,510'	09/27/09
13,722'-13,790'	09/27/09

EXHIBIT

A

RE-COMPLETIONS CASING RECORD

Perforation record (interval, size, and number)			ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.		
Intervals	Size	Number	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	
9,462'-9,535'	0 19"	6/foot	9,462'-9,535'	160,000#, 30/50 sand	500 gals 7.5% HCL
9,584'-9,648'	0 19"	6/foot	9,584'-9,648'	130,000#, 30/50 sand	500 gals 7.5% HCL
9,682'-9,766'	0 19"	6/foot	9,682'-9,766'	255,000#, 30/50 sand	500 gals 7.5% HCL
9,837'-9,904'	0 19"	6/foot	9,837'-9,904'	270,000#, 30/50 sand	500 gals 7.5% HCL
9,941'-10,032'	0 19"	6/foot	9,941'-10,032'	181,000#, 30/50 sand	500 gals 7.5% HCL
10,069'-10,154'	0 19"	6/foot	10,069'-10,154'	101,000#, 30/50 sand	500 gals 7.5% HCL
10,213'-10,280'	0 19"	6/foot	10,213'-10,280'	114,000#, 30/50 sand	500 gals 7.5% HCL
10,334'-10,398'	0 19"	6/foot	10,334'-10,398'	165,000#, 30/50 sand	500 gals 7.5% HCL
10,450'-10,537'	0 19"	6/foot	10,450'-10,537'	78,500#, 30/50 sand	500 gals 7.5% HCL
10,572'-10,650'	0 19"	6/foot	10,572'-10,650'	69,200#, 30/50 sand	500 gals 7.5% HCL
10,683'-10,736'	0 19"	6/foot	10,683'-10,736'	111,500#, 30/50 sand	
10,782'-10,811'	0 19"	6/foot	10,782'-10,811'	136,000#, 30/50 sand	

No ball sealers dropped

PRODUCTION

Date First Production NA	Production Method (Flowing, gas lift, pumping - Size and type pump) NA					Well Status (Prod or Shut-in) Shut-in	
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
8/16/07-8/18/07	33	10/64-18/64		0	366	474	NA
8/19/07-8/23/07	103	16/64-20/64			0	749	
8/24/07-8/27/07	86	18/64-20/64			13907	711	
8/28/07-8/30/07	22	?			0	1796	
8/31/07-9/19/07	468	20/64			36521	1917	
9/29/07-10/4/07	119	20/64			8421	1	
10/19/07-10/23/07	104	20/64			9784	45	
11/17/07-12/10/07	530	20/64			37133	1366	
CUM 2007					106132	7059	
1/6/08-1/14/08	92	16/64-64/64		0	0	15342	
1/14/08-1/15/08	129	26/64-64/64			1814	7206	
CUM 2008					1814	22548	
2/19/10-2/26/10	169	14/64-24/64		0	0	2511	
2/26/10-4/7/10	909	22/64-32/64			27938	11691	
CUM 2010					27938	14202	
Flow Tubing Press Avg No tbg installed	Casing Pressure Avg. 715-2007 213-2008 581-2010	Calculated 24- Hour Rate	Oil - Bbl NA		Gas - MCF 1739-2007 197-2008 622-2010	Water - Bbl. 116-2007 2449-2008 316-2010	Oil Gravity - API - (Corr.) NA

EXHIBIT **B**