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W. T. Martin, Jr. *
Kenneth D. Dugan *
Lane T. Martin
Mark Horton
(* Also licensed in Texas)

VIA FEDERAL EXPRESS

February 27, 2013

NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application of George Ross Ranch, LLC

Dear clerk:

Enclosed please find an original and six copies of George Ross Ranch's Pre-hearing Statement and Exhibits.

If you have any questions, please call.

Thank you,

Martin, Dugan & Martin

Carla Galloway,
Legal Assistant to W.T. Martin, Jr.

xc: James Bruce

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

IN THE MATTER OF THE APPLICATION OF)
GEORGE ROSS RANCH, LLC TO REVOKE)
ADMINISTRATIVE ORDER No. SWD-380,)
EDDY COUNTY, NEW MEXICO)

CASE # 14888

GEORGE ROSS RANCH'S PRE-HEARING STATEMENT

Martin, Dugan & Martin
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COMES NOW Applicant, **George Ross Ranch, LLC**, by and through its attorney, W. T. Martin, Jr., of Martin, Dugan & Martin, and presents its *Pre-Hearing Statement* in support of its application to have Order Number SED-380-0 entered October 27, 1989 revoked or cancelled. In support of its Application and for purposes of its *Pre-Hearing Statement*, George Ross Ranch states :

1. **Name of Party & Address:** The Applicant, George Ross Ranch, LLC, is a limited liability company that has an address of 3710 Rawlins Street, Suite 850, Dallas, Texas 75219.
2. **Name(s) of Party's Attorney(s):** The attorneys for George Ross Ranch, LLC are Martin, Dugan & Martin (W. T. Martin, Jr., Lane T. Martin, Kenneth D. Dugan and Mark Horton). Martin, Dugan & Martin has an address of P.O. Box 2168 Carlsbad, New Mexico 88221-2168.
3. **Concise State of Case:** A statement of the case is as follows:
 - a. George Ross, Sr. owned a ranch (surface estate) in south Eddy County, New Mexico. (*The exhibits reflect his ownership.*)
 - b. George Ross, Sr. died on May 28, 1977 at the age of 75 years. At the time of his death he resided in Pecos, Reeves County, Texas. (*See Exhibits-Final Decree of Determination of Heirship*)
 - c. George Ross, Sr.'s Will was admitted to probate in Reeves County Texas, Probate Court, Estate Cause No. 1958. (*See Exhibits-Final Decree of Determination of Heirship*)

- d. At the time of his death, George Ross owned the ranch in south Eddy County, New Mexico. (*See Exhibits-Final Decree of Determination of Heirship*)
- e. George Ross, Sr.'s heirs were: Worth W. Ross, Michelle Ross Meyer, Jeffrey F. Gilson and Ross A. Gilson. (*See Exhibits-Final Decree of Determination of Heirship*)
- f. In 1989, Mallon Oil Company filed an Application for an Order authorizing an injection well for its Amoco Federal Well No. 1, located in Unit I of Section 27, Township 26 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.
- g. The well that Mallon Oil Company proposed to use as the injection well was, and is, located on the George Ross Ranch. The George Ross Estate owned the ranch.
- h. Mallon Oil published notice of the hearing in the Carlsbad Current-Argus. Actual notice was never given to the George Ross Estate or any of the George Ross, Sr.'s heirs, owner(s) of the surface estate where the proposed injection well was to be, and is, located. It should also be noted there is no indication in the OCD record that Mallon Oil attempted to send George Ross, Sr. notice. (*See the OCD Record – Also see Exhibits*)
- i. On October 27, 1989, the *Administrative Order of the Oil Conservation Division* was entered granting the Mallon Oil Company Application.
- j. The George Ross Estate or any of the George Ross, Sr.'s heirs were never a party to the proceeding.
- k. On October 11, 2011, the District Court of Eddy County, New Mexico, entered its *Final Judgment Determining Heirship* of the George Ross, Sr. estate. The heirs

were: Worth W. Ross, Michelle Ross Meyer, Jeffrey F. Gilson and Ross A. Gilson.
(*See Exhibits-Final Decree of Determination of Heirship*)

- i. The Final Judgment established legal title to the ranch in Eddy County, in the above listed heirs.
 - l. All the heirs subsequently conveyed their respective undivided interest in the ranch to George Ross Ranch, LLC. (*See Exhibits*)
 - m. As stated above, neither the George Ross Estate nor the George Ross Heirs ever received actual notice of the Mallon Oil Application. At all times relevant to the issue, the George Ross Estate and/or the George Ross Heirs owned the surface estate (the ranch) where the injection well is located.
 - n. George Ross Ranch, LLC believes the above listed facts are undisputed as shown by the exhibits. The issue or question before the Hearing Officer is whether, as a matter of law, the Administrative Order of October 27, 1989 should be revoked or set aside because of violation of due process in not providing actual notice to the owner of the surface estate.
 - o. Actual notice to the surface owner is required under OCD Regulations. OCD regulations were violated.
 - p. Due process requires notice to the owner of the surface estate.
4. **Witnesses:** The witnesses George Ross Ranch, LLC may call are: Worth Ross and David Meyer. Worth Ross is an heir and managing member of the LLC. David Meyer is married to an heir and has been active in issues relating to management of the LLC and the issue before the Hearing Officer.

5. **Exhibits:** Exhibits accompany this *Pre-Hearing Statement*.
6. **Approximate Time Needed to Present Case:** Because most of the facts appear to be undisputed, it is estimated George Ross Ranch's witnesses and argument will take no more than one hour.
7. **Identification of Any Procedural Matters Needing Resolution Before Hearing:** None

Martin, Dugan & Martin



By _____

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Attorney for George Ross Ranch, LLC

Martin, Dugan & Martin certifies that a copy of the foregoing *Pre-Hearing Statement* together with exhibits was served opposing counsel of record, James Bruce, by means of overnight delivery on February 27, 2013.



W. T. Martin, Jr.