

DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

2008 JUN 15 PM 2 59

IN THE MATTER OF THE APPLICATION
OF SYNERGY OPERATING, LLC FOR
COMPULSORY POOLING, SAN JUAN
COUNTY, NEW MEXICO

Case No. 13,663

PRE HEARING STATEMENT

Come now Edwin Smith, LLC ("Smith"), and Joseph C. Robbins ("Robbins"), by and through their attorneys Sutin, Thayer & Browne, a Professional Corporation (Derek V. Larson and Michelle K. Ostrye) and submit the following for consideration at the Hearing of this matter:

Appearances

APPLICANT

Synergy Operating, LLC

APPLICANT'S ATTORNEY

James G. Bruce

OPPONENTS

Edwin Smith, LLC
Joseph Robbins

OPPONENTS' ATTORNEYS

Derek V. Larson, Michelle K. Ostrye
Derek V. Larson, Michelle K. Ostrye

Jerry Walmsley, Trustee

J. Scott Hall

Statement of the Case

This matter involves property situated on the west half of Section 8, Township 29 North, Range 11 West, N.M.P.M., San Juan County, New Mexico (the "Property").

Synergy Operating, LLC ("Synergy") has filed an application for compulsory pooling. However, Synergy does not possess any ownership interest in the subject property and therefore is not a proper party to request compulsory pooling pursuant to NMSA 1978 Section 70-2-17, as amended. Wherefore Synergy's application should be denied.

Smith, however, is an undisputed interest owner and is in the process of filing an application for permit to drill the Duff 105 well. Wherefore Smith and Robbins request Smith's application be approved and that Smith be designated as the operator of the Duff 105 well.

Witnesses:

Edwin Smith may be present to testify.

Time Needed to Present Smith's and Robbins' Case:

20 minutes.

Respectfully submitted,

SUTIN THAYER & BROWNE,
A Professional Corporation

By 

Derek V. Larson

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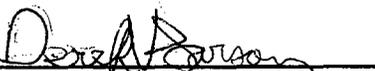
Attorneys For Edwin Smith, LLC and
Joseph Robbins

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed and mailed to the following counsel of record on the 15th day of June 2006:

James G. Bruce
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