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June 30, 2011

David Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

William Jones
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Case Nos: 14415 (reopened) and 14416

(reopened)/H.N. Smith heirs

Gentlemen:

I am responding to the James Bruce letter to you of June 29, 2011. Initially, I object to this late submittal in this matter. If Mr. Bruce was submitting a recent decision of one of our courts, which was on point, I could understand his desire to do so. However, Mr. Bruce understates when he admits his cases from another jurisdiction "are not directly on point". They deal with another states statutory law under totally different factual circumstances.

To reach any type of connection, Mr. Bruce misstates the facts in this case. He says the Smith heirs knew they owned a leasehold interest in the subject well units. That statement does not comport with the facts. The Smith heir, Jason Bond, testified he knew his wife Olive had an interest in a producing oil and gas property, but he did not know in which county, nor did he know he inherited anything from his wife who died without a will. Whatever Olive's interest was, Jason said the money she received was small and it certainly did not come from Cimarex as they did not drill any wells when Olive was alive.

The Smith heir, Robin Birnie, testified unequivocally that she did not know, nor did her brother and sister or Olive Bond's daughter know that each owned an interest in the subject well units. Without knowledge of such ownership they had no ability to protect their self-interests.

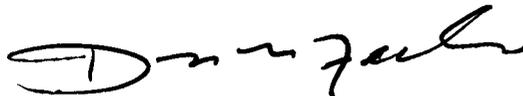
Mr. Bruce, arguing his case anew, seeks support from the fact that Cimarex found the first generation Smith heirs, Richard Birnie and Olive Bond, in an Eddy County recorded Affidavit. He seems to be asserting that life would be different if that affidavit had been recorded in Chaves County. However, you would have the same information in either county, i.e. the first Smith heirs were Richard Birnie and Olive Bond. With that information Cimarex proceeded to do nothing. They

produced no documentation of any effort to trace and track Richard Birnie and Olive Bond to find the present Smith heirs.

To accept Mr. Bruce's argument would be to give applicants a pass on locating interest owners. Due process would simply be ignored in all cases as Cimarex did in this one.

Thank you for your attention.

Yours very sincerely,

A handwritten signature in black ink, appearing to read "Don M. Fedric". The signature is written in a cursive style with a large, stylized initial "D".

Don M. Fedric

Cc: William F. Carr

DMF/bhs