JAMES BRUCE ATTORNEY AT LAW

SANTA FE, NEW MEXICO 87504

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369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

iamesbruc@aol.com

January 31, 2011

Via fax

.

Daniel Sanchez Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

> Re: Case No. 14583/Farleigh Oil Properties

Dear Mr. Sanchez:

Enclosed is Farleigh's response to Shell's motions. A decision is needed today on the continuance motion.

Very truly yours,

James Bruce

1-31-11 I feel the case should be heard Thin. Feb 3 TW,

Counsel of record cc:

Jap 1: いて

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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

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' CONSOLIDATED RESPONSE TO MOTIONS TO DISMISS, QUASH SUPOENA, FOR A PROTECTIVE ORDER, AND FOR A CONTINUANCE

Farleigh Oil Properties ("Farleigh") submits this response to the various motions filed by SWEPI LP and Shell Exploration and Production Company (collectively, "Shell").

Ι. . INTRODUCTION.

Shell has been playing games with the Division's reporting regulations for several years. It continues to do so.

This application was filed by Farleigh because Shell has not complied with the Division's reporting requirements. Rather than set forth specifics in this response, Farleigh refers you to the letter it wrote to the Division on August 30, 2010, succinctly outlining the deficiencies in Shell's reporting practices. Exhibit A. In summary, Shell has not timely filed all logs on the subject wells, and has misleadingly reported production and well tests. Farleigh simply asks for Shell to comply with Division regulations, as all other operators in the state must do

MOTION TO DISMISS. II.

Shell asserts that Farleigh does not have the right to file this action. That is wrong, for several reasons:

In addition to the August 30, 2010 letter, Farleigh had a telephone conference Α. with Division personnel in October 2010. Farleigh did not receive what it considered a satisfactory response to its complaints. However, the Division itself informed Farleigh that it could file an application for a hearing to seek the relief it requested. Exhibit B.

The Division has entered an appearance in this matter in support of Farleigh's В. application. See the Division's Pre-Hearing Statement, filed on December 8, 2010.

C. The regulation cited by Shell does not state that the Division is the sole entity that may file a proceeding of this type. Thus, the Division's right to file an application is not exclusive.

Therefore, Shell's motion to dismiss is without merit, and must be denied.

III. MOTION TO QUASH.

Likewise, the motion to quash musty be denied. As noted in **Exhibit A**, Shell initially filed only mud logs and a fraction of an uphole segment of a gamma ray curve and a neutron curve. Farleigh obtained a subpoena and served it on Shell. Pursuant thereto, Shell (finally) turned over to the Division and Farleigh the nine logs itemized in Shell's pleading. In addition, on January 22, 2010 Shell's counsel informed the undersigned that Shell would turn over additional data to the Division and Farleigh during the week of January 24th. That was not done. Shell has reneged on its agreement to turn over additional data.

Moreover, public records and Shell's own filings with the Division indicate that there is additional data which has not been provided:

A. As stated in Exhibit A:

IHS Energy has posted on their scout tickets the logging suites that were run in each of the four wells – at the minimum, a dual induction, compensated density, compensated neutron, caliper, spontaneous potential and gamma ray were reported.

B. In addition, Shell's APD for the Latigo 2-34 well (FOP Exhibit 3-1, page 3, which is part of Exhibit C attached hereto) states under "Logging and Testing" that the following would be done:

Wireline-Logging, including but not limited to:

Gamma Ray, Resistivity, Porosity, Neutron and Sonic data collection

Flow Testing:

Flow individual production zones for up to 3 days

C. FOP Exhibit 3-2 (part of Exhibit C attached hereto) states that "Shell has completed the completions work and flow testing for this well, as specified in the approved APD.

Shell claims that all logs have been turned over, but that does not square with the record. There seem to be several logs per well that Shell has not filed with the Division.

In addition, the filed C-105's (see FOP Exhibit 3-7, part of Exhibit C attached hereto) do not comply with Division regulations in that, at a minimum, testing rates on perforated intervals, 24 hour rates, drill stem tests, and individual flowing-tubing and casing pressures, are not Υ,

·__;

reported. Cf. Exhibit D, the Division's Form C-105. Instead, Shell averages the various data figures. Shell's filings are completed in a fashion to hide data, rather than to report it in a straightforward manner.

Farleigh is not seeking anything other than data required by the Division's rules -- data all other operators must file, and which operators use as a matter of course in planning exploration and production activities in this state. Allowing Shell to skate by the reporting rules, if followed by other operators, will impair the accuracy of the Division's public data and makes it useless to the public.

IV. MOTION FOR PROTECTIVE ORDER.

Farleigh obtained a subpoena against Schlumberger, which ran the logs on Shell's wells. That was done since Shell didn't produce all logs on the wells. Farleigh has no interest in obtaining Shell's proprietary or confidential data, and disclaims any intent to obtain such data. However, if Shell is not forthcoming on its well logs, it is proper to, at least, obtain a listing from Schlumberger identifying all logs on the wells -- logs which Shell should have filed with the Division long ago.

V. MOTION FOR CONTINUANCE.

This case was set for hearing on December 16, 2010, and has already been continued twice at Shell's request. Farleigh is ready and willing to proceed with the hearing regardless of a Shell witness being present. In addition, Farleigh's witnesses are coming from three different states, must leave on Tuesday, and the costs to reschedule transportation and lodging are significant. Farleigh requests that the motion be denied.

VI. <u>CONCLUSION</u>.

WHEREFORE, Farleigh requests that:

1. The motion to dismiss be denied.

2. The motion to quash be denied.

3. Farleigh's subpoena to Schlumberger be modified so that Schlumberger does not have to turn over Shell's proprietary or confidential data.

4. The motion for a continuance be denied.

If Shell continues to refuse to comply with Division reporting requirements, then its Authority to Transport should be canceled.

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Respectfully submitted,

James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Farleigh Oil Properties

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this $\frac{3}{5}$ day of January, 2011 by facsimile transmission:

William F. Carr Holland & Hart LLP P.O. Box 2208 Santa Fe, New Mexico 87504 (505) 983-6043

W. Thomas Kellahin 706 Gonzales Road Santa Fe, New Mexico 87501 (505) 216-2780

Gail MacQuesten Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 (505) 476-3462

John Michael Richardson P.O. Box 16 Stanley, New Mexico 87056 (505) 832-1479

James Bruce

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Jan 31 2011 7:32AM

BILL D. FARLEIGH

HE FARLEIGH CORPORATION

FARLEIGH OIL PROPERTIES

August 30, 2010

Via E-mail and USPS Priority Mail Signature Confirmation 420 87505 9410 8036 9930 0010 5688 20

Mr. Daniel Sanchez Enforcement & Compliance Manager New Mexico Oil Conservation Division 1220 South St. Francis Santa Fe, NM 87505

Re: Reporting Practices of Shell Exploration and Production Company

- 1. Latigo Ranch 2-34 API 30-019-20136 T10N, R23E, Section 34
- 2. Latigo Ranch 3-5 API 30-019-20137 T10N, R23E, Section 5
- 3. Latigo Ranch 3-33 April 30-019-20138 T10N, R23E, Section 3
- Webb 3-23 API 30-019-20135 T11N, R27E, Section 23
- Webb CD#1 API 30-019-20134 T11N, R23E, Section 25

EXHIBIT

Dear Mr. Sanchez:

Farleigh Oil Properties, dba Bill D. Farleigh, Trustee of the Bill D. Farleigh Revocable Trust dated January 21, 1983, has for the past year made a sizeable investment in fee leases in the Tucumcari Basin. Our future plans of development for these leases have been delayed indefinitely until we are able to access data from the captioned wells that have not been timely submitted to the State of New Mexico. Shell Exploration and Production Company's delay in timely adherence to the Rules and Regulations of the State of New Mexico has caused and will continue to cause postponed development of New Mexico's resources and revenues.

Instructions on Form C-105 clearly states that 20 days after completion of any newly drilled or deepened well the fully completed form accompanied by all electrical and radioactivity logs and a summary of all special tests, including drill stem tests shall be filed. Further, the State of New Mexico instructions state, for multiple completions, items 25-29 on said form shall be reported for each zone.

Shell Exploration and Production reports on it's Webb #CD-1, API 30-019-20134, under item 17 on it's Form C-105, "If Multiple Completion, How Many Zones?" to which Shell responds "10." This response correlates with Shell's answer to item 26, Perforation Record, 10 zones perforated. The above-cited instructions state each zone should be reported separately in items 25-29, and yet in item 28, Shell reports the date of test, but not the interval or zone and

PIRST INTERSTATE BANK BLDG. • 104 S. WOLCOTT, SUITE 720 • P.O. BOX 3215 • CASPER, WY 82602 • (307) 265-1498 E-MAIL: farleigh@farleighoil.com • FAX (307) 265-1113

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Mr. Daniel Sanchez August 30, 2010 Page 2

further confuses the issue by reporting hours tested and sums the volumes of the hours tested divided by 24 to report a calculated 24-hour rate as 1,740 MCF/24 hours.

The methodology, while confusing at best and misleading, does not satisfy the Rules and Regulations of the New Mexico Oil Conservation Division. This methodology does not allow the reader to determine which zones were tested, the footage that was tested, the amount of gas flared for individual zones, and grossly misreports the calculated 24-hour rate as the sum of all gas tested in an unknown number of zones and unknown footage of said zone. This is not what industry knows as a 24-hour-rate, nor does this methodology comply with the instructions of the State of New Mexico.

This behavior, while accomplishing the desired confusion, is wrong. The reason the commission of every state has rules and regulations is to foster further exploration to benefit their state. This continued use of flawed reporting is not sloppy; it is dishonest and unethical. I respectfully request that this blatant disregard for New Mexico's Rules and Regulations be stopped by the Enforcement and Compliance Division of the Oil Conservation Division.

Further, although I have requested since April 1, 2010 from Mr. Ed Martin, District IV Supervisor, the suite of electric logs for the Latigo Ranch 2-34, Latigo Ranch 3-5, Latigo Ranch 3-33, and the Webb 3-23 be submitted by Shell as the rules and regulations require, only mud logs and a fraction of an uphole segment of a gamma ray curve and a neutron curve have been submitted and posted on the web site. IHS Energy has posted on their scout tickets the logging suites that were run in each of the four wells – at the minimum, a dual induction, compensated density, compensated neutron, caliper, spontaneous potential and gamma ray were reported. Now, some 125 days following my first request and more than a full year after completion of some of the wells, no useable logs are posted on your website.

This behavior by Shell is purposeful and useful only to Shell; the hiding of data by Shell is unethical at best.

Please require Shell to submit their data honestly and to follow the instructions and rules of the State of New Mexico as most industry professionals do everyday. Thank you,

Respectfully,

Tom E. Swanson Exploration Manager

TES:cdv

c: Ed Martin, NMOCC, Oil and Gas Inspector, District Supervisor _James Garrett Bruce, Esquire Dr. David W. Bowen



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New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governar

Jim Noel Cebinet Secretary -

Karen W. Garcia Deputy Cabinet Becretery Mark Feamire Division Director Oli Conservation Division 

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Mr. Tom Swankon The Furleigh Corporation P.O. Box 3215 Casper, WY 82602

Dear Mr. Swanson:

Completed Well Completion or Recompletion Report and Log (C-105) forms have been submitted by SWEPI, LLP for all of the wells noted in your letter of October 20, 2010. Logs on all of the five SWEPI wells have also been received from SWEPI, LLP and the C-105's and logs are available on our website. SWEPI, LLP has assured the New Mexico Oil Conservation Division (NMOCD) that all of the data required by NMOCD rules have been submitted for the five wells in question.

NMOCD rules do not specify any format to be used when an operator is submitting such data. Therefore, the NMOCD is satisfied that SWEPI has complied with the letter of the rule.

Please see NMAC 19.15.4.8 INITIATING AN ADJUDICATORY HEARING: in the NMOCD rules which states, in pertinent part ... "A. The division, attorney general, an operator or producer or other person with standing may file an application with the division for an adjudicatory hearing." That portion of the rule goes on to specify the format to which an application for hearing must adhere. Should you wish to file an application challenging the adequacy of SWEPI, LLP's compliance with NMOCD's rules, you may do so in accordance with that provision and other applicable provisions of 19.15.4 NMAC.

If you need further information, please contact us.

Sincerely.

NEW MEXICO OIL CONSERVATION DIVISION

Daniel Sanchez Enforcement and Compliance Manager



Oil Conservation Division 1220 South St. Francis Drive - Santa Fe, New Mexico 87505 Phone (505) 476-3440 - Fax (505) 476-3462 - <u>www.emnrd.state.nm.us/QCD</u> Y I

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Latigo 2-34 Drilling and Completion Plan

The well will be drilled with potable (TDS<3,000 ppm) water-based fluids from surface to the bottom of the Santa Rosa Formation ("freshwater aquifet"). Surface conductor and intermediate casing strings will be installed and cemented. Below the Santa Rosa Formation, the well will be drilled with nonpotable (TDS>10,000 ppm) water-based fluids to total vertical depth (TVD). Additional intermediate casing strings and production casing will be installed and cemented. Upon completion of drilling, the casing will be perforated in selected (TSS) (Depth (TVD)).

Drilling Program

Lithology

- o Tucumcari Basin
 - This area has been the subject of limited oil & gas exploration activity
 - Approximate depths of key geologic formations are shown in Attachment A1
- o Prospective formations are in the Pennsylvanian section
- Fluid Bearing Formations
 - o Potable water (Surface 1500 feet below ground surface)
 - o Brackish water (1500+ feet below ground surface)
 - o Natural gas/condensate (~8000+ feet below ground surface)
- Drilling Fluids
 - o Freshwater drilling fluids (see Attachment A2)
 - Potable (TDS< 3,000 ppm) water-based, 8.3-8.6 ppg, viscosifiers and LCM additives
 - o Brackish water drilling fluids (see Attachment A2)
 - Non-potable (IDS>10,000 ppm) water-based fluids, 8.6-10.0 ppg, salt, lime, caustic soda, viscosifiers and LCM additives
 - o Lost Circulation Materials (LCM)
 - As needed, LCM consisting of, but not limited to, cedar fibers, mica, drilling paper, graphite, walnut plug, cottonseed hulls and calcium carbonate may be introduced into the well bore to address any lost circulation zones encountered during drilling
- Wellhead Pressure Control (Blowout Prevention [BOP])
 - o Wellhead BOP equipment is standard design for "tight gas" wells, as shown on Attachment A3
 - Maximum pressures for equipment (wellhead A section to be 11" 5,000 psi; wellhead B section to be 11" 10,000 psi; BOP with 11" 5,000 psi annular preventer; and Ram preventers with 11" 10,000 psi)
 - Maximum downhole pressures anticipated ~6500 psi.
 - o BOP testing procedures conducted by third party contractor upon installation
 - Ram preventers to 10,000 psi and 250 psi; Annular preventer to 2500 psi and 250 psi, for 10 minutes and 5 minutes, respectively

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Casing and Cementing Program

- All casing run and set will be new and unused. Details are included Table 1
- Surface Casing
 - o 14.75-inch diameter well bore, drilled to 1300 feet.
 - o 10.75-inch diameter casing installed and cemented to surface
- Intermediate Casing
 - o 9.875-inch diameter well bore, drilled to 6200 feet.
 - o 7.625-inch diameter casing installed and cemented to 1000 feet
- Production Casing
 - o 6.5-inch diameter well bore, drilled to 13350 feet.
 - o 4.5-inch diameter casing installed and cemented to 5700 feet

Well Completion

- <u>Casing Perforation</u>
 - Perforate casing in prospective sand zones, using three shots per foot (spf), 120 degree, phased perforating guns
- Hydraulic Fracturing
 - o Treat prospective sand zones with ceramic and/or sand proppant materials during hydraulic fracturing

Logging and Testing

Water Supply for Drilling and Completions

- One water well (minimum 5 ¹/₂-inch and maximum 7-inch diameter casing) will be drilled on-site about 500 feet east of the well location, on the edge of the well site
 - A temporary appropriation of up to 3 acre feet (AF) of potable water will be obtained from the Office of State Engineer-District 6 (OSE) for production of potable water from the Santa Rosa aquifer
- Potable groundwater will be available from the CD-1 water well located on the Webb Ranch, about 3 miles from the well site
 - O A temporary appropriation of up to 3 acre feet (AF) of potable water was previously approved by the Office of State Engineer-District 6 (OSE) for production of potable water from the Santa Rosa equifer. This appropriation will expire in August 2008, and will be renewed with the OSE.
- Potable groundwater will be available from wells located on the Pajarito Ranch, about 22 miles from the well site
 - Parajito Creek Ranch holds appropriations for more than 500 acre feet (AF) of potable groundwater, which may be sold for any and all uses.
- Nonpotable produced water will be available from the CD-1 well located on the Webb Ranch, about 3 miles from the well site
 - Produced water from the completion and testing of CD-1 well is currently stored, and may be treated and re-used at other well locations



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Shell Exploration & Production

State of New Mexico Energy, Minerals and Natural Resources Dept. Oil Conservation Division-District 4 1220 South St. Francis Drive Sante Fe, New Mexico 87505 Attn.: Ed Martin, District Supervisor Shell Exploration & Production Co. Regulatory Affairs EP Americas 4582 S. Ulster Street Parkway Suite 1400 Deriver, Colorado 80237

EXHIBIT FOP 3-2

April 8, 2010

Subject: Subsequent Report of Completion Shell Exploration & Production Co., Latigo Ranch 2-34 (API No. 30-019-20136) Guadalupe County, New Moxico

Dear Mr. Martin:

Shell Exploration & Production Company (Shell), as service provider to SWEPI LP in New Mexico, is submitting our Subsequent Report (Form C-103) to the service of the servi

If you have any questions or require any additional information regarding these reports, please contact me at (303) 222-6347, or David Janney at Kleinfelder in Albuquerque at (505) 344-7373.

Regards,

Michael L. Bergstrom Senior Regulatory Advisor Shell Exploration & Production Company

Attachments: Form C-103 w/additional details attached

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LATIGO RANCH 2-34 WELL API NO. 30-019-20136

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Form C-103 October 13, 2009

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13,180'-13,254'	11/11/09
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Shell Exploration & Production

State of New Mexico Energy, Minerals and Natural Resources Dept. Oil Conservation Division-District 4 1220 South St. Francis Drive Sante Fe, New Mexico 87505 Attn.: Ed Martin, District Supervisor Shall Exploration & Production Co. Regulatory Affairs-EP Americas 4582 S Ulster Street Parkway Suite 1400 Denver, Colarado 80237

EXHIBIT FOP 3-5

April 15, 2010

Subject: Subsequent Report of Production Shell Exploration & Production Co., Latigo Ranch 2-34 (API No. 30-019-20136) Guadalupe County, New Mexico

Dear Mr. Marun:

Shell Exploration & Production Company (Shell), as service provider to SWEPI LP in New Mexico, is submitting our Subsequent Report (Form C-103) to provide preliminary production data for the subject well to New Mexico Oil Conservation Division-District 4 (OCD) for your review and approval. (Form C-105). Shell anticipates submitting the Well Completion or Recompletion Report and for this well, on or before **Completion**

If you have any questions or require any additional information regarding these reports, please contact me at (303) 222-6347, or David Janney at Kleinfelder in Albuquerque at (505) 344-7373.

Regards,

Michael L. Bergstrom Seniot Regulatory Advisor Shell Exploration & Production Company

Attachments: Form C-103



Shell Exploration & Production

State of New Mexico Energy, Minerals and Natural Resources Dept. Oil Conservation Division-District 4 1220 South St. Francis Drive Sante Fe, New Mexico 87505 Attn.: Ed Mattin, District Supervisor Shell Exploration & Production Co. Regularary Affatrs-EP Americas 4582 S. Ulster Street Parkway Suite 1400 Denver, Colorado 80237

EXHIBIT FOP 3-6

May 13, 2010

Subject: Well Completion Report and Log, and Notice of Intent to Temporarily Abandon Shell Exploration & Production Co., Latigo Ranch 2-34 (API No. 30-019-20136) Guadalupe County, New Mexico

Dear Mr. Martin:

Shell Exploration & Production Company (Shell), as service provider to SWEPI LP in New Mexico, is submitting our Well Completion Report and Log (Form C-105) for the subject well to New Mexico Oil Conservation Division-District 4 (OCD) for your review and recordkeeping.

If you have any questions or require any additional information regarding these reports, please contact me at (303) 222-6347, or David Janney at Kleinfelder in Albuquerque at (505) 344-7373.

Regards,

Michael L. Bergstrom U Senior Regulatory Advisor Shell Exploration & Production Company

Attachments: Form C-105 w/ mud logs Form C-103

Baseline Direction Direction <thdirection< th=""> <thdirection< th=""> <thd< th=""><th>Submit 'l'a Approp</th><th>einte Distr</th><th>101 D1</th><th>fice</th><th></th><th colspan="6">State of New Mexico</th><th colspan="5">Form C-105</th></thd<></thdirection<></thdirection<>	Submit 'l'a Approp	einte Distr	101 D 1	fice		State of New Mexico						Form C-105				
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4. Reacon for filling: 5. Lease Name of Under Properties LLC: Site State and Peer walls only? CAMPLETION REPORT (Fill in boose #1 incrugit #31 for State and Peer walls only?) Site State and Peer walls only? Site State and Peer walls only? C144 COSENER ATTACEMENT (Fill in boose #1 incrugit #31 for State and Peer walls only?) Site State and Peer walls only? Site State and Peer walls only? Type of Comprise Comprise Site State and Peer walls only? Site State and Peer walls only? SWEP (LP EXAMISED TFOOD DEPERMING CPULGBACK CPUTFERRMT RESERVOR: COMPLEX Software SWEP (LP EXAMISED TFOOD The Comprise Software SWEP (LP EXAMISED TFOOD The Comprise Software SWEP (LP EXAMISED TFOOD The Comprise Software SWEP (LP EXAMISED TFOOD Software The Comprise SWEP (LP EXAMISED TFOOD The Comprise The Comprise <	1220 8. St. Francis										3. State Oil	& Oas Lease I	No. NA			
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C144 CLOSURE ATTACEMENT (Fill in boxes #1 through #9, #15 Date Rig Rolessed and #32 and/or Latigo Ranch 2-34 T33, misch bin and the glat to the C144 down report in mocordinary with [0,1517,124,151MALC) O'CHER T03, WEW WILL WORKOVER DEPERMENT RESERVICE O'CHER WWEPL L/ EXAMINED DEPERMENT RESERVICE O'CHER Nume of Operator EXAMINED D'CHERNETT RESERVICE O'CHER Nume of Operator EXAMINED D'CHERNETT RESERVICE O'CHER Nume of Operator EXAMINED D'CHERNETT RESERVICE O'CHER 10, Addres of Coreniar Feet from the Nume of Coreniar Nume of Coreniar 11, Date Spudded 14, Date Risk Rolesson 17, Elevaliary (D' and REI 12, Loop Elevation 19, D'Rug Back Measured Depth 12, Role and Coreniar 17, Elevaliary (D' and REI 13, Date Spudded 14, 24, 04 19, Prug Back Measured Depth 12, Role and Coreniar 17, Elevaliary (D' and REI 23, More Elevaliary 19, Prug Back Measured Depth 12, Role and Coreniar 17, Elevaliary (D' and REI 24, Producting Intervalia, of this completion - Top, Beform, Name Elevaliary (Hidron) 14, 12, 12, 12, 12, 1		-			41	ala	ter from and Re		1.4			Singleton P	roperties LL	cornent h		<u></u>
By NEW WELL WORKOVER DEPERENT CPUIDEACK DIFFERENT RESERVOIR OTHER SWEPT LP EX.HIG 80/DEPERENT CORID 24034 24034 SWEPT LP II. Pool name or Wildowi Wildowi Wildowi Wildowi P.O. Bos 756, Houseon, TX 77001 II. Pool name or Wildowi Wildowi Wildowi Wildowi Store 576, Houseon, TX 77001 IV. Tool in IL /I Section Township Range Lot Feet from the Wildowi County Store 576, Houseon, TX 77001 IV. Tool in IL /I Section TOW and RKI Store 576, Houseon, TX 77001 County	C-144 CLO	SURE A	TTA	CHMENT	(Fill in	n boxes#I ti	1rough #9, #15 D	ate Rig	Released	and #32 an C)	d/or	••••••••	++			
SWEEP LP EXHIBIT FOP 3-7 24033 10. Address of Operative 11. Pool name or Wildaal Wildaat P.O. Bos 375, Houston, TX 77001 11. Pool name or Wildaal Wildaat 13. Location Uait Lit Section Township Range Lot Feet from the W Line Caturity 13. Location Uait Lit Section 11. N 23.8 1919 20.19 Catadati 13. Date Studded 14.7 Date Released 13. 24.09 Range Date Katadation 17. Elevations (Dm Advector) Range Date Katadation 17. Elevations (Dm Advector) 17. Elevations (Dm Advector) 13. 460° 13. 700 Meanuel Depti Advector 20. Was Directional Streps Mode? 17. Elevations (Dm Check Logs Vestor) 13. 460° 13. 460° 20. Was Directional Streps Mode? 17. Elevations (Dm Check Logs Vestor) 22. Producting Interval(b), of filts completion - Top. Bottom, Name 17. Elevations (Dm Check Logs Vestor) 13.460° 23. CASING Streps Measured Depti Advector 0.1,483° 14.75 6.53 es. 1.000 streps Measured Depti Advector 24. Linker Released 21. Town Released 22. Town Released 11. 12.000 streps Measured Depti Advector <td< td=""><td>X NEW</td><td>WELL</td><td></td><td>ORKOVE</td><td></td><td>EEPENINC</td><td></td><td>к□ι</td><td>DIFFERE</td><td>NT RESER</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	X NEW	WELL		ORKOVE		EEPENINC		к□ι	DIFFERE	NT RESER						
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P.O. Box 756, Houston, TX 77001 Wildcatt Barhast P 34 Township Range Lot Feet from the N Line Peet from the Wildcatt Bith 23 11N 23E 1919 2019 Guadat Bith 23-09 11-22-09 f 12-3-09 Resched 13-20-04 f 12-3-09 17. Elevations (DP and RKI Brown Meeth 11-22-09 f 23-09 f 20. Was Directional Survey Mode? 17. Elevations (DP and RKI Brown Meeth 12-3-09 f 19-10g Bark Measured Depth 20. Was Directional Survey Mode? 17. Elevations (DP and RKI 13-869 22-30 f 11-22-06 f 20. Was Directional Survey Mode? 12. Three light is and Other Logs 13-869 13-869 23. The CASING RECORD (Report all Strings set in well) 20. Was Directional Survey Mode? 12. String		perator											or Wildeat			••
CALLODIGNI Internation Provide for the provide state of t	P.O. Box 576.	Houston			· · · · · ·								1	-110	<u> </u>	Country
Bit Date Date <thdate< th=""> Date Date D</thdate<>								Lot			the	N Line		ie w La	ING	
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9-22-08 11-22-04 £ 2-3-09 288/200 RT, GR, etc.) GR 13-868 13-460 20. Was Directional Survey Mode? 21, JAppet Expiris and Other Logs 13-868 13-460 20. Was Directional Survey Mode? 21, JAppet Expiris and Other Logs 22. Producting Interval(a), of this completion - Top, Bettom, Name 1 21, JAppet Expiris and Other Logs 23. CASING StZE WeIGHY LS /FT DEPTH SET HOLE StZE CEMENTHOR ECOND AMDUNT PULLED 24.4 40.5 0-1,1433 14.75 636 sz. CEMENTHOR ECOND AMDUNT PULLED 24.4 10-24* 40.5 0-1,1433 14.75 636 sz. 1.000 sz. 7-558* 29.7 0-6,078* 9.875 1,000 sz. 1.000 sz.		 					<u> </u>		1 11910			77.356.8795.0498.78.001.74.800			<u>/!</u> /=- 1	
18. Total Measured Depth of Well 19. Plug Back Measured Depth 20. Was Directional Strings set in well) 22. Producing Interval(a), of filts completion - Top, Bottom, Name 20. Was Directional Strings set in well) 23. Staff CASING SiZE WEIGHT 16./FT DEPTH SET 24. Tor, B. Pran CASING SiZE WEIGHT 16./FT DEPTH SET 25. Tor, B. Pran DepTH SET WOLE SiZE CEMENTING BECORD 26. Advine SiZE WEIGHT 16./FT DEPTH SET WOLE SiZE CEMENTING BECORD 26. Advine SiZE WEIGHT 16./FT DEPTH SET WOLE SIZE CEMENTING BECORD 27. Advine SiZE TOP BOTTOM SACKS CEMENT SCREEN SiZE DEPTH SET 24. LINER RECORD SiZE DEPTH SET PACKER SET 7.4 DETOM SACKS CEMENT SCREEN SiZE DEPTH SET PACKER SET 7.4 LINER RECORD SiZE DEPTH SET PACKER SET NA NA DEPTH SET PACKER SET 7.4 LINER RECORD SiZE DEPTH SET PACKER SET SiZE DEPTH SET PACKER SET 7.4 LINER RECORD <					;d		a Releas⊂d									
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24. LINER RECORD 25. TUBING RECORD SIZE TOP BOTTOM SACKS CEMENT SCREEN SIZE DEFTH SEF PACKER SET NA																
SIZE TOP BOTTOM SACKS CEMENT SCREEN SIZE DEPTH SET PACKER SET NA NA NA NA NA NA NA NA 26. Performation record (Interval, size, and number) 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 11,776-11,836 0.28° 6/foot 12,604-12,706 1800/04 gand 205,500#, 20/40 sand 13,002' 0.28° 6/foot 13,800'-13,092' 60,000#, 20/40 sand 31,402'-13,510' 290,853#, Econoprop 13,402'-13,510' 0.28° 6/foot 13,402'-13,510' 290,853#, Econoprop 13,402'-13,510' 0.28° 6/foot 13,402'-13,510' 285,82#, 20/40 sand 13,402'-13,510' 0.28° 6/foot 13,402'-13,510' 290,853#, Econoprop 23. Production Production Method (<i>Flow-Ing. gast l(fr. pumping - Size and type pump)</i> Well Status (<i>Prod or Shul-inj</i> NA 13,402'-13,510' 285 NA NA Date of Test 970000 # Fost Period 0	4-1/2			13	, ,		U-15,654			<u> </u>			<u></u>		1 2000	
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NA NA 22. Perforation record (Incrvel, size, and number) Intervals 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. Intervals Size Number 11, 767-11,836' 205,5008, 20/40 and 12,604',12,706' 18,000H, 20/40 and 12,604',12,706' 180,000H, 20/40 and 13,005',13,254' 28' 6/foot 13,180',13,254' 13,200',13,254' 28'' 6/foot 13,200',13,254' 13,200',13,254' 28'' 6/foot 13,200',13,254' 13,200',13,254' 28,052H,20/40 and 13,200',13,254' 28,052H,20/40 and 13,200',13,254' 28,052H,20/40 and 13,200',13,254' 28,052H,20/40 and 13,200',13,254' 13,402',13,510' 13,202',13,510' 28''' 13,402',13,510' 29,0853H, Econoprop 13,402',13,510' 29,0853H, Econoprop 13,402',13,510' 28''' 13,722',13,510' 28''''' 13,722',13,510' 13,70'''''''''''''''''''''''''''''''''''			-													
Production Product		TOP			BOTT	ом	SACKS CEM	ENT	SCREEN			2	DEPTH SI	<u> </u>	PACK	er set
Intervals Size Number DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 11,776'-11,836' 205,300H, 20/40 sand 11,776'-11,836' 205,300H, 20/40 sand 13,006'-13,022' 0,28" 6/foot 12,604'-12,706' 0,28" 6/foot 13,100'-13,254' 0,28" 6/foot 13,00'-13,092' 60,000H, 20/40 sand 13,100'-13,272' 0,28" 6/foot 13,100'-13,254' 54,081H, 20/40 sand 13,20'-13,272' 0,28" 6/foot 13,100'-13,254' 54,081H, 20/40 sand 13,20'-13,272' 0,28" 6/foot 13,20'-13,272' 58,529H, 20/40 sand 13,402'-13,510' 0,290,853H, Econoprop 290,853H, Econoprop 28. PRODUCTION Date of Tost Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) Well Status (<i>Prod or Shul-in</i>) NA NA NA Shut-in Date of Tost Hours Tested Cholo Size Prod'n For Oil - Bbl Cas - MCF Water - Bbl NA 9/21/09 - 9/23/09 7 7 14/64 Test Period	NA							ł					+			
Intervals Size Number 11,776'-11,836' 0.28" 6/fboil 12,602'-12,002' 0.28" 6/fboil 13,006'-13,002' 0.28" 6/fboil 13,100'-13,254' 0.28" 6/fboil 13,200'-13,272' 0.28" 6/fboil 13,200'-13,272' 0.28" 6/fboil 13,200'-13,272' 0.28" 6/fboil 13,200'-13,270' 0.28" 6/fboil 13,200'-13,270' 0.28" 6/fboil 13,202'-13,510' 0.290,853#, Econoprop 13,202'-13,510' 290,853#, Econoprop 28. PRODUCTION Date of Tost Hours Tested Cholco Size Prod'n For 9/17/09 - 9/13/09 14/64 Test Period 0 0 172/109 - 9/23/09 14/64 Test Period 0 <		tecord (i	DIGG	ក្រោះជាដដែនហៀ នាំ ១ ខេត្ត នាំព័រ	ummassa 1 mumb	er)			27 AC	D SHOT	FRA	CTURE CE	MENT. SOI	IEEZE.	ETC.	
12,604 - 12,706 · 0,28 * 6/foot 13,006 - 12,022 · 0,28 * 6/foot 13,006 - 12,022 · 0,28 * 6/foot 13,007 - 13,372 · 0 28 * 6/foot 13,180 · 13,254 · 0,28 * 13,120 · 0,28 * 6/foot 13,120 · 0,28 * 6/foot 13,202 · 13,254 · 0,28 * 6/foot 13,20 · 13,254 · 13,220 · 0,28 * 6/foot 13,222 · 13,254 · 0,28 * 6/foot 13,20 · 13,254 · 13,222 · 13,510 · 290,853#, Econoprop 13,722 · 13,790 · 28 · Date First Production Production Method (Flowing, gas (I(i, pumping - Size and bype pump) Well Status (Prod or Shut-m) NA NA NA 0 0 0 0 9/21/09 - 9/3/09 14/64 7 7 7 7 7 9/23/09 - 10/209 14/64 · 7 7 7 1360 · 2570 · 0 0 444 · 1360 · 2570 · 101 Crav	Intervals	Siza		Ni	mber			ł	DEPTH	NTERVAL		AMOUNT A	<u>ND KIND M</u>			
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13,180'-13,224' 0,28'' 6/foot 13,180'-13,254' 54,081 //. 20/40 sand 13,290'-13,372' 0,28'' 6/foot 13,20'-13,372' 58,529//. 20/40 sand 13,402'-13,310' 0,28'' 6/foot 13,20'-13,372' 58,529//. 20/40 sand 13,402'-13,310' 0,28'' 6/foot 13,402'-13,310' 290,853//. Econoprop 13,722'-13,790' 0,28'' 6/foot 13,722'-13,790' 31,672#, Econoprop 228. PRODUCTION 290,853//. Econoprop Shut-in Shut-in NA NA NA Shut-in Shut-in NA NA NA 0 0 0 0 9/17/09 - 9/19/09 48/64 'Test Period 0 0 288 NA 9/17/09 - 9/23/00 14/64 'Test Period 0 0 2782 0 370 11/23/09- 14/64-22/64 'Test Period 0 370 2782 6054 CUM 12/12/09 12/209 14/64-22/64 Otil - Bbl. Oas - MCF Water - Bbl. Otil Gravity - API - (Corr.) Press, Avg, 636 Avg, 255						(ŀ				60 000# 20/	40 sand			
13,290°-13,372° 0.28° 6/foot 13,402°-13,510° 0.28° 6/foot 13,402°-13,790° 0.28° 6/foot 13,402°-13,790° 0.28° 6/foot 13,402°-13,790° 0.28° 6/foot 13,402°-13,790° 0.28° 6/foot 13,722°-13,790° 31,6724, Econoprop 31,6724, Econoprop 31,6724, Econoprop 28. PRODUCTION Date First Production Production Method (Flowing, gas Ilfi, pumping - Size and type pump) Well Status (Prod or Shut-in) NA NA NA Date of Yeat Hours Tested 9/17/09 - 9/19/09 9/21/09 - 9/23/09 Gas - MCF Water - Bbl. Gas - Oil Ratio 9/17/09 - 9/19/09 11/23/09 - 11/3/00 14/64 7 9/21/09 - 11/3/00 1360 2770 11/23/09 - 11/3/09 14/64-22/64 Oil - Bbl. Gas - MCF Water - Bbl. Oil Cravity - API - (Corr.) Press. Avg. 636 Avg. 255 Calculated 24 - Oil - Bbl. Gas - MCF Water - Bbl. Oil Cravity - API - (Corr.) Press. Avg. 636 Avg. 255 Hour Rate NA 236 NA	13,180'-13,254'	0,28		6/	foot)		1				54,081#, 20/	40 sand			
13,722'-13,790' 0.28'' 6/foot 13,722'-13,790' 31,6724, Econoprop PRODUCTION Date First Production Production Method (Flowing, gas I(fr, pumping - Size and type pump) Well Status (Prod or Shul-in) NA Date First Production Production Method (Flowing, gas I(fr, pumping - Size and type pump) NA NA NA Date of Test 48/64 Fost Period 0 9/17/09 - 9/13/09 14/64 Fost Period 0 9/21/09 - 9/23/09 14/64 Fost Period 0 288 11/23/09- 14/64-22/64 1360 2570 2782 11/23/09- 14/64-22/64 01 - Bbl. Oas - MCF Water - Bbl. Oil Cravity - API - (Corr.) Press, Avg, 636 Avg, 255 Hour Rate NA 221 236 NA 30. Test Witnessed By AD Ascol 2.21 236									13,290'-	3,372		58,529#, 20/	40 sand			
PRODUCTION Date First Production Production Method (Flowing, gas Ilft, pumping - Size and type pump) Well Status (Prod or Shut-in) NA NA Date of Test Production Method (Flowing, gas Ilft, pumping - Size and type pump) Well Status (Prod or Shut-in) NA Date of Test Cost of Test Olit - Bbi Gas - MCF Water - Bbi. Cas - Oil Ratio NA NA 7 7 7 0 288 NA 9/21/09 - 9/23/09 14/64 7 7 0 2570 NA 9/25/09 - 10/2/09 14/64 7 1360 2570 370 2782 11/23/09 - 14/64-22/64 7 0 370 2782 6054 CUM 12/12/09 12/12/09 14/64-22/64 Oil - Bbl. Oas - MCF Water - Bbl. Oil Cravity - API - (Corr.) Press, Avg. 636 Avg. 255 Hour Rate NA 221 236 NA 29. Disposition of Uas (Sold, used for juel, venied, eic.) AD Aarcd 30. Test Witne						10.2010										
Date First Production Production Method (Flowing, gas lift, pumping - Size and type pump) Well Status (Prod or Shul-in) NA NA NA Duit of Test Hours Tested Choko Size Prod'n For Oil - Bb Cas - MCF Water - Bb. Gas - Oil Ratio 9/17/09 - 9/19/09 48/64 'Test Period 0 0 288 NA 9/21/09 - 9/23/09 ? ? 0 0 244 9/23/09 - 10/2/09 14/64 ? ? 0 370 11/9/09 - 11/9/09 14/64 ? ? 0 370 11/23/09- 14/64-22/64 'I - Bb!. Gas - MCF Water - Bb!. Oil Oravity - API - (Corr.) Flow Tubing Casing Pressure Calculated 24- Oil - Bb!. Gas - MCF Water - Bb!. Oil Oravity - API - (Corr.) Press. Avg. 636 Avg. 255 Hour Rate NA 221 236 NA 29: Disposition of Uas (Sold, used for juel, venied, etc.) 30. Test Witnessed By 30. Test Witnessed By						·····				·						
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31 List Atlaphments	AD flared	·	-			·							· · · · · · · · · · · · · · · · · · ·			
	31. Lift Atlachme	ints ics loss a	on CD	Ds												
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit. Temp pit used for completions only, drilling used closed loop system all cuttings removed and transported to Gandy-Marly, Inc. Tatum, NM					atizch	a piel with th	ie location of the	tempor	ary pil. T	emp pit üse	d for i	completions or	nly, drilling us	cd closed	loop syst	cm all
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505-982-2151

p.20

33. If an on-site burial was used at the woll, report the exact location of the on-site burial:		
Latitude	Longitude	NAD 1927 1983
I hereby certify that the information shown on both sides of this form is true and co	mplete to the best of my knowledg	e and belief
Thereby certify that the information shown in both sides of this form is true and co Signature Name Michael L. Bergatrom	Title Senior Regulatory Adv	isor Date 5/13/30/1
E-mail Address Michael, Bergstrom ashell.com		

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, **Completion of the completion of closure**. When submitted as a completion report, **Completion of the completion of closure**. When submitted as a completion report, **Completion of the completion of closure**. When submitted as a completion report, **Completion of the completion of closure**. When submitted as a completion report, **Completion of the completion of closure**. When submitted as a completion report, **Completion of the completion of closure**. When submitted as a completion report, **Completion of closure**. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. **Completion of closure**.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southe	astern New Mexico	Northv	Northwestern New Mexico				
T, Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"				
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"				
B. Salt	T. Atoka	T. Pruitland	T. Penn. "C"				
T. Yates	T. Miss	T, Pictured Cliffs	T. Penn. "D"				
T. 7 Rivers	T. Devonian	T, Cliff House	T. Leadville				
T. Queen	T. Silurian	T. Menefee	T. Madison				
T. Grayburg	T. Montoya	T. Point Lookout	T, Elbert				
T. San Andres	Т. Simpson	T. Mancos	T. McCracken				
T. Glorieta	T. MoKee	T. Gallup	T. Ignacio Otzte				
T. Paddock	T. Blienburger	Base Greenhom	T.Granite				
T. Blinebry	T. Gr. Wash	T. Dakota					
T.Tubb	T. Delaware Sand	T. Morrison					
T. Drinkard	T. Bone Springs	T.Todilto					
T. Abo	Т	T. Entrada					
T. Wolfcamp	T.	T. Wingate					
T. Penn 6.536"	Т	T. Chinie					
T. Cisco (Bough C)	Τ.	T. Permian					
			OIL OR GAS				

SANDS OR ZONES

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									to13,510	
ίNο	. 3.	from	13.006.	to	13.092	. No. 7	. from	.13.722	,)
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IMPORTANT WATER SANDS

Include data on :	rate of water inflov	v and elevation to wh	ich water rose i	in hole.	
No. I. from		to	1,060	feet	
				feet,	
				feet	
				1 1 1/41 and shared telling and	

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology		From	Τ٥	Thickness In Feet	Lithology	
				- F					

Please see mud log on enclosed CD.

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Two Copies Dismot 1	Dismol 1				State of New Mexico Energy, Minerals and Natural Resources						Form C-105 July 17, 2008					
1023 N. Franch E Distinct II 1301 W. Grand A										1. WELL API NO.						
District III 1000 Rio Brazos						il Conserva 20 South S				-	2 Type of)	Lease ATE	C) FEE		FED/IND	
District IV	District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505				1 20	Santa Fe,			••	F	3. State Oil				r aviinu	
	WELL COMPLETION OR RE			ECO	MPL	ETION RE	POR	T AND	LOG							
4 Reason for fi	líng.	_									5. Lease Nat		init Agree	ment N	ame	
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7 Type of Com	WELL [] WORKOV	ER 🔲 I	DEEPEI	NING		K 🗆 DI	FFEREN	TRESERVO	OIR	OTHER					
8. Name of Oper	rator										9. OGRÍD					
10. Address of C	perator		,								11. Pool nam	c or ₩.	ildcat			
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Flow Tubing Pross.	Casing	Pressure	Calcu Hour	lated 24 Rate	1-	Q11 - Bbl.		Qes -	MCF	w 	ater - Bhl	.	Oll Grav	ity = A	PI - (Cori	<i>.</i>)
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33. If an on-site						ation of the on-						$\boldsymbol{\Lambda}$			NA	D 1927 1983
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INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southe	astern New Mexico	Northy	vestern New Mexico
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
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T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
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T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddook	T. Ellenburger	Base Greenhorn	T.Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T.Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T.Todilto	
T. Abo	T	T. Entrada	
T. Wolfcamp	T	T. Wingate	
T. Penn	Τ.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from	No. 3, fromtoto				
No. 2, from	No. 4, fromtoto				

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
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							-
						-	

BEFORE THE NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

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

CASE NO. 14583

MOTION FOR CONTINUANCE

SWEPI and Shell Exploration & Production Company, (hereinafter collectively referred to as "Shell") through their attorneys, HOLLAND & HART LLP, hereby move the Oil Conservation Division for a two week continuance of the hearing scheduled for February 3, 2011, in the above-referenced case and in support state as follows:

1. This application was filed by Farleigh Oil Properties seeking a compliance order against Shell to obtain certain information on Shell's activities in Guadalupe County, New Mexico. This is the first time a non-Division entity has attempted to initiate a self-prosecution under the Division's Compliance rules.

2. Following the filing of this application, Farleigh obtained a subpoena from the Division directing Shell to provide certain data to Farleigh on five wells. The Latigo Ranch 2-34 (API No. 30-019-20136), the Latigo Ranch 3-5 (API No. 30-019-20137), the Latigo Ranch 3-3 (API No. 30-019-20138), and the Webb 3-23 (API No. 30-019-20135) were drilled by Shell(the subject wells). The Webb CD-1 Well (API No. 30-019-20134) was drilled by a prior operator and all data responsive to this subpoena that is in Shell's possession can be found on-line on the Oil Conservation Division's files.

3. Shell believes that it has filed all information required by Oil Conservation Division Rules and therefore has filed a motion seeking the dismissal of the application in this case. Shell has requested that its motion to dismiss be argued to the Division on February 3, 2011

4. Since the production of well logs to Farleigh and a request from Shell's undersigned counsel for Farleigh to identify any matters that Farleigh believes has not been filed as required by Oil Conservation Division rules, Farleigh has not responded to this inquiry with any specificity.

5. All information sought by the subpoena has been produced to Farleigh, can be found in the on-line files of the Oil Conservation Division or does not exist and Shell has filed a motion to quash this subpoena. Shell has requested that its motion to quash be argued to the Division on February 3, 2011.

6. Shell has obtained information that causes it to believe that Farleigh has had issued and served on Shell's subcontractors subpoenas for information. Copies of these subpoenas were not provided to Shell which has caused it to move for a protective order. Shell has requested that the motion for protective order be argued to the Division on February 3, 2011.

7. An additional subpoena was served on Shell on January 26, 2011, seeking the attendance of certain witness on February 3, 2011. Shell witnesses who meet the requirements of this new subpoena are not available on February 3, 2011 and another hearing date is required.

8. Since it appears that this matter cannot be resolved between the parties and since Farleigh has not identified what additional information it believes may not have been filed with the Division, Shell has obtained a subpoena for the exhibits that Farleigh identified in its pre-hearing statement in this case. The Subpoena requests that this data be produced on February 3, 2011. Without these exhibits and an opportunity to review the data contained therein, Shell cannot be prepared to proceed to a hearing on this application on February 3, 2011 and therefore requests a continuance.

9. Since the stated purpose of a pre-hearing conference in 19.15.4.16.B NMAC is "to narrow the issues, eliminate and resolve other preliminary matters and to encourage settlement." Shell has therefore requested that, once the Farleigh exhibits have been produced and reviewed, a pre-hearing conference be held in this matter with all attorneys present. Shell also requests that Mr. Ed Martin, the District Supervisor for Division District IV attend the prehearing conference and that Ms. Amy Vermersch of the Division's Aztec office be available by telephone.

WHEREFORE, Shell requests that the hearing on this application be continued from the February 3, 2011 examiner hearing docket to the examiner hearing schedule for February 17, 2011.

Respectfully submitted, HOLLAND & HART LLP

By: V UVOULL

William H. Carr Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEY FOR SWEPI LP AND SHELL EXPLORATION & PRODUCTION COMPANY

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CERTIFICATE OF SERVICE

I certify that on January 27, 2011, I served a copy of the foregoing document to the following by U. S. Mail or by facsimile:

James Bruce, Esq. Attorney at Law Post Office Box 1056 Santa Fe, New Mexico 87504 Attorney for Farleigh Oil Properties FAX NO.: (505) 982-2151

Gail MacQuesten Oil Conservation Division Energy, Minerals and Natural Resources Department 1220 South Saint Francis Drive Santa Fe, New Mexico 87505 FAX NO: (505) 476-3451

W. Thomas Kellahin Bayswater Exploration and Production, LLC Kellahin & Kellahin 706 Gonzales Road Santa Fe, New Mexico 87501 FAX NO: (505) 216-2780

Granada Holdings Limited Partnership c/o John Michael Richardson Post Office Box 16 Stanley, New Mexico 87056

William F. Carr

33. If an on-site burial was used at the well, report the exact lo	ocation of the on-site burial.		
	Latitude	Longitude	NAD 1927 1983
I hereby certify that the information shown on bot	th sides of this form is true and co	omplete to the best of my knowledge a	nd belief
			-lake
ail Address Michael.Bergstrom@shell.com		••••••••••••••••••••••••••••••••••••••	
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INSTRUCTIONS

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INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southea	stern New Mexico	Northv	vestern New Mexico
T. Anhy	T. Canyon.	T. Ojo Alamo	T. Penn A"
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T. Yates	T. Miss	T. Pictured Cliffs	T. Penn. "D"
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T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzle
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T. Cisco (Bough C)	T	T. Permian	

OIL OR GAS SANDS OR ZONES

IMPORTANT WATER SANDS

Include data on	rate of water inflow	and elevation to w	hich water rose i	in hole.	
No. 1, from		to	1.060	feet	
				feet	
				feet	

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	То	Thickness In Feet	Lithology	From	To	Thickness In Feet		Lithology	 i
	. –							· · · · · · · · · · · · · · · · · · ·	

Please see mud log on enclosed CD.

(ENFORCEMENT AND COMPLIANCE - Cont'd.)

19.15.5.10 COMPLANCE PROCEED-INGS (As Added by Order No. R-12452. November 1, 2005, and Amended by Order Dated December 1, 2008.)

A. The provisions in 19.15.4 NMAC applicable to adjudicatory proceedings shall apply to compliance proceedings unless altered or amended by 19.15.5.10 NMAC.

B. A compliance proceeding is an adjudicatory proceeding in which the division seeks an order imposing sanctions for violation of a provision of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38 or a provision of a rule or order issued pursuant to the act. Such sanctions may include but are not limited to:

(1) requiring compliance with a provision of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38 or a provision of a rule or order issued pursuant to the act;

(2) assessment of civil penalties pursuant to NMSA 1978, Section 70-2-31(A);

(3) connective action including but not limited to abatement or remediation of contamination and removal of surface equipment;

(4) plugging and abandonment of a well and restoration and remediation of the well location, and authority for the division to forfeit the applicable financial assurance if the well is not plugged and abandoned and the location restored and remediated;

(5) denial, cancellation or suspension of a permit;

(6) denial, cancellation or suspension of authorization to transport; or

(7) shutting in a well or wells.

C. The division initiates an administrative compliance proceeding by filing a written application with the division clerk:

(1) identifying the operator and any other responsible parties against whom the order is sought; including the surety if the division seeks an order allowing forfeiture of a surety bond; (2) identifying the provision of the Oil and Gas Act. NMSA 1978. Sections 70-2-1 through 70-2-38, or the provision of the rule or order issued pursuant to the act, allegedly violated;

(3) providing a general description of the facts supporting the allegations;

(4) stating the sanction or sanctions sought: and

(5) providing proposed legal notice.

D. The division shall provide notice of compliance proceedings as follows:

(1) the division shall publish notice in accordance with 19.15.4.9 NMAC.

(2) the division shall provide notice to the operator and any other responsible parties against whom the compliance order is sought by following the provisions of 19.15.4.12 NMAC.

E. The director may enter into an agreed compliance order with an entity against whom compliance is sought to resolve alleged violations of any provision of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38 or any provision of any rule or order issued pursuant to the act. The director may enter into an agreed complianceorder prior to or after the filing of an application for an administrative compliance proceeding. An agreed compliance order shall have the same force and effect as a compliance order issued after an adjudicatory hearing.

F. Nothing in 19.15.5.10 NMAC precludes the division from bringing other actions provided for in the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, including but not limited to the following: suit for indemnification pursuant to NMSA 1978, Section 70-2-14(E) or NMSA 1978, Section 70-2-38(B); an action through the attorney general with respect to the forfeiture of illegal oil or illegal gas pursuant to NMSA 1978, Section 70-2-32; an injunction under NMSA 1978, Section 70-2-28; or collection of penalties pursuant to NMSA 1978, Section 70-2-31(A). [19.15.14.1227 NMAC - N, 12-15-05; 19.15.5.10 NMAC - Rp, 19.15.14.1227 NMAC, 12/1/08]

	EXHIBIT
1	EXHIDIN
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A Second	