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 COMPEIANCE ORDER AGAINST SWEPI LP AND SHELL EXPLORATION AND PRODUCTION COMPANY, GUADALUPE COUNTY, NEW MEXICO.

CASE NO. 1458

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by William F. Carr, Holland & Hart LLP, as required by the rules of the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Farleigh Oil Properties

James Bruce, Esq.
Attorney at Law
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Attorney for Farleigh Oil Properties
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OPPOSITION

ATTORNEY

SWEPI LP and Shell Exploration & Production Company

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

STATEMENT OF CASE

OPPOSITION:

SWEPI LP and Shell Exploration and Production Company oppose the application. Shell will review its efforts to file all information required by the Rules of the Oil Conservation Division and objects to Farleigh's attempted self-prosecution of a case under the Division's Enforcement and Compliance Rules.

PROPOSED EVIDENCE

APPLICANT

WITNESSES ESTIMATED TIME EXHIBITS

(Name and Expertise)

Michael Bergestrom or Shell employee with knowledge of the documents filed and Shell's efforts to comply with the Divisions requests. 15 Minutes Unknown at this other

time

PROCEDURAL MATTERS

SWEPI LP and Shell Exploration & Production Company ("Shell") have filed a Motion for Continuance and a Motion to Dismiss, to Quash Subpoena and for a Protective Order. Shell has obtained a subpoena directed at Farleigh seeking information it needs to be able to prepare for the hearing, if any, in this case. Shell has also requested a Pre-Hearing Conference once the data covered by the subpoena to Farleigh is obtained.

William F. Carr

Attorney for SWEPI LP and Shell Exploration & Production

Company

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:

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