

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

**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

PRE-HEARING STATEMENT OF THE OIL CONSERVATION DIVISION

The Oil Conservation Division (OCD) submits this pre-hearing statement pursuant to 19.15.4.13(B) NMAC.

APPEARANCES

APPLICANT

Farleigh Oil Properties

APPLICANT'S ATTORNEY

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RESPONDENT

SWEPI LP
200 N. Dairy Ashford, WCK 5261
Houston, TX 77079

RESPONDENT'S ATTORNEY

No entry of appearance filed

Shell Exploration and Production Company

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Oil Conservation Division

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Bayswater Exploration and Production, LLC

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STATEMENT OF THE CASE

Applicant Farleigh Oil Properties seeks a compliance order against SWEPI LP and Shell Exploration and Production Company requiring those entities to comply with the regulatory reporting requirements set out in the rules of the Oil Conservation Commission.

The Oil Conservation Division (OCD) supports the application of Farleigh Oil Properties.

OCD'S PROPOSED EVIDENCE

WITNESS: William V. Jones, OCD Engineering Bureau, licensed professional petroleum engineer
ESTIMATED TIME: 20 minutes
The OCD intends to offer Mr. Jones as an expert witness to testify on the use of and interpretation of well completion reports and logs.

WITNESS: Daniel Sanchez, OCD Compliance and Enforcement Manager
ESTIMATED TIME: 10 minutes

PROCEDURAL MATTERS

1. The examiner will need to determine to which entity or entities should be ordered to comply. According to OCD records, the operator of record for the wells identified in the application is SWEPI LP, OGRID 250036. SWEPI LP has not yet entered an appearance in this case. "Shell Exploration and Production Company," the other respondent named in the application, does not appear in OCD records as the operator of record of any wells in New Mexico.

2. At the request of Farleigh Oil Properties, on 11-30-10 the OCD issued a subpoena *duces tecum* to SWEPI LP and Shell Exploration and Production Company directing them to produce certain documents on 12-16-10.

Respectfully submitted
this 5th day of December 2010 by

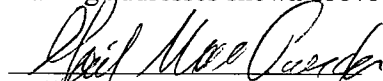


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Certificate of Service

I certify that I mailed a copy of this pleading to SWEPI LP at the address indicated above, and mailed and e-mailed a copy of this pleading to Mr. Bruce, Mr. Carr and Mr. Kellahin at the mailing and electronic mailing addresses shown above this 5th day of December 2010.


Gail MacQuesten