

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

2011 MAY 16 P 12: 58

**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

**RESPONSE OF FARLEIGH OIL PROPERTIES AND BAYSWATER EXPLORATION
AND PRODUCTION, LLC TO MOTION TO DISMISS**

Farleigh Oil Properties ("Farleigh") and Bayswater Exploration and Production, LLC ("Bayswater") submit this response to the motion to dismiss filed by SWEPI LP and Shell Exploration and Production Company (collectively, "Shell"):

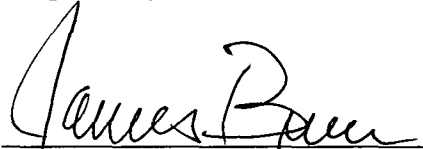
1. In a highly unusual procedure, Shell filed with the Division well completion data and electric and radioactivity logs more than two years after that information was required to be filed under Division regulations. It was only due to the efforts of Farleigh and Bayswater that the Division now has most of the data that should have been voluntarily filed long ago.
2. Shell complains that Farleigh's amended application "vaguely requests" Shell to comply with Division reporting requirements. The fact is that only Shell had the data, and it was impossible for Farleigh to request specific data of which it had no firsthand knowledge. Merely by filing the amended C-103s and C-105s on April 26th, Shell admits that it did not properly submit completion data with its original filings.
3. Contrary to Shell's assertion, the pre-hearing conferences did not establish that Shell has properly completed Forms C-103 and C-105 for the subject wells. There has never

been any decision by the Division stating that Shell has complied with Division regulations. Farleigh and Bayswater assert that, while the data filed two weeks ago is substantially more detailed than the incomplete and misleading original filings, it is up to the Division to determine whether the recent filings fully comply with Division regulations.

4. A decision by the Division could be made either by (i) reviewing the recently submitted forms and making a decision thereon, or (ii) taking evidence at the hearing currently scheduled for May 26, 2011.

WHEREFORE, Farleigh and Bayswater request that the Division make a decision as to the completeness of Shell's filings. If Shell is determined not to have substantially complied, they request that Shell's Authority to Transport be canceled.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 16th day of March, 2011 by facsimile transmission:

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