

BEFORE THE NEW MEXICO CONSERVATION DIVISION

APPLICATION OF MACK ENERGY
CORPORATION FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO

Case No. _____

Pre-Hearing Statement and Motion to Continue Hearing

Siana Oil & Gas, L.L.C. ("Siana") as the owner of leasehold interests in the SE/4 NW/4 of Section 32, Township 17 South, Range 33 East N.M.P.M. in Lea County, New Mexico in which Mack Energy Corporation also owns a leasehold interest. Siana recently received the application filed in the above proceeding and files this Pre-Hearing Statement and Motion to Continue Hearing.

Having recently received the above Application and considering the Thanksgiving Holiday, Siana will not be in a position to be prepared to proceed to hearing on December 1, 2011 and seeks a continuance for a period of at least thirty days, in order to afford Siana time to evaluate the application, retain counsel and prepare for the hearing.

As a co-tenant in the leasehold estate, Siana objects to the Application on the grounds that compulsory pooling is not warranted. Specifically, Mack has taken the position in the past that a joint operating agreement governs operations on the subject property, thereby making the request unnecessary. Although Mack recently indicated that a joint operating agreement may not govern operations, Mack has engaged in no meaningful discussions with Siana as to whether a joint operating agreement governs operations between the parties and if not the proposed terms of such an agreement.

Mack has presented no evidence or made any allegations to suggest or prove that the operation at issue is necessary, or that it will enhance production, nor has it given any justification for forcing Siana to participate in the costs of the operation or forcing Siana to bear a 200% penalty for failing to participate.

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Tom S. Ragsdale will likely testify at the hearing on all issues pertinent to the application. Siana has initially retained Tom Zabel at Zabel Freeman as counsel, 420 Heights Blvd., Houston, Texas 77002, and is in the process of retaining New Mexico counsel. To the extent permitted Siana requests that Mr. Zabel be permitted to assist as counsel in the proceeding. Siana may identify other potential witnesses as it further evaluates the application. Siana does not believe that the hearing should take longer than one-half to a full day.

Respectfully submitted,

T M Ragsdale

Tom M. Ragsdale, President of Siana
Oil & Gas, L.L.C.

Certificate

I certify that a true and correct copy of the foregoing document was sent via telecopy and US mail to James Bruce, attorney at law, 369 Montezuma, No. 213, Santa Fe, New Mexico 87501 and facsimile at 505-982-2151.

T M Ragsdale

Tom M. Ragsdale