

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:)
) CASE NO. 13,663
 APPLICATION OF SYNERGY OPERATING,)
 L.L.C., FOR COMPULSORY POOLING,)
 SAN JUAN COUNTY, NEW MEXICO)

OFFICIAL EXHIBIT FILE
(2 OF 2: Smith and Robbins Exhibits)
EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

March 30th, 2006

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, March 30th, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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

IN THE MATTER OF THE APPLICATION
BY SYNERGY OPERATING, LLC FOR
COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO

Case No. 13,663

EXHIBITS RE: MARCH 30, 2006 HEARING RE: COMPULSORY POOLING

- A: 4/28/51** Warranty Deed by Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns and Jennie Hasselman Hill, grants to Earl M. Kouns an undivided one half interest in and to the Southwest Quarter of Section Eight (8) in Township Twenty-nine (29) North, Range Eleven (11) West, N.M.P.M. [recorded 6/2/51]
- B: 4/28/51** Warranty Deed by Earl M. Kouns grants to Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns and Jennie Hasselman Hill, an undivided one half interest in and to the Southwest Quarter of Section Eight (8) in Township Twenty-nine (29) North, Range Eleven (11) West, N.M.P.M. [recorded 6/2/51]
- C: 8/19/58** Judgment: Claude Smith, Margaret Hasselman Jones, Julia Hasselman Keller, Jennie Hasselman Hill, May Hasselman Kouns v. Caswell Silver, L.R. Lunsford, George B. Robbins, Apache Drilling, et al. [Case No. 5994] establishing that Margaret Hasselman Jones, Julia Hasselman Keller, Jennie Hasselman Hill And May Hasselman Kouns are the owners in fee simple of an undivided one half interest in and to the Southwest Quarter of Section Eight (8) in Township Twenty-nine (29) North, Range Eleven (11) West, N.M.P.M.
- D: 9/8/81** Warranty Deed (Joint Tenants) by Jennie Hasselman Hill, surviving joint tenant of Margaret Hasselman Jones, Julia Hasselman Keller and May Hasselman Kouns, grants to Jennie Hasselman Hill and June Hill Walmsley an undivided one half interest in and to the Southwest Quarter of Section Eight (8) in Township Twenty-nine (29) North, Range Eleven (11) West, N.M.P.M. [recorded 9/16/81]

- E: 10/28/04 Assignment of All Right, Title and Interest Surface to Base of Pictured Cliffs by Kimberly Brautigam (dealing with her sole and separate property and successor in interest to May Hasselman Kouns) to Synergy Operating LLC of all right, title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, effective 10/1/04
- E: 10/29/04 Assignment of All Right, Title and Interest Surface to Base of Pictured Cliffs by Robert E. Kouns (dealing with his sole and separate property and successor in interest to May Hasselman Kouns) to Synergy Operating LLC of all right, title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, effective 10/1/04
- E: 10/29/04 Assignment of All Right, Title and Interest Surface to Base of Pictured Cliffs by Annemarie Keller (successor in interest to Julia Hasselman Keller) to Synergy Operating LLC of all right, title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, effective 10/1/04
- E: 11/1/04 Assignment of All Right, Title and Interest Surface to Base of Pictured Cliffs by Charla Varner (dealing with her sole and separate property and successor in interest to May Hasselman Kouns) to Synergy Operating LLC of all right, title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, effective 10/1/04
- E: 11/2/04 Assignment of All Right, Title and Interest Surface to Base of Pictured Cliffs by Margaret K. Dunn (successor in interest to Julia Hasselman Keller) to Synergy Operating LLC of all right, title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, effective 10/1/04
- E: 11/4/04 Assignment of All Right, Title and Interest Surface to Base of Pictured Cliffs by Jodie Yates (dealing with her sole and separate property and successor in interest to May Hasselman Kouns) to Synergy Operating LLC of all right, title and interest in and to the Claude Smith #1 well and the associated minerals in the southwest quarter of section 8, Township 29 North, Range 11 West, San Juan County, New Mexico, effective 10/1/04

- F: 1/21/05** Petition for Condemnation by Public Service Company of New Mexico re: an easement
- G: 6/16/05** Transcript of June 16, 2005 Hearing
- H: 7/29/05** Affidavit of Joseph Robbins [filed herein July 28, 2005]
- I: 9/9/05** Title Report prepared by Tammy Sloan Smith, Certified Professional Landman
- J: 10/25/05** Title Opinion prepared by Nancy M. King of Montgomery & Andrews
- K: 1/26/06** Authenticated and Sworn Notice of Rescission by Joseph Robbins

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WARRANT DEED

Margaret Russell Jones, Julia Russell Jones, May Russell Jones and Victor Russell Hill

STATE OF COLORADO

COUNTY OF SHELBY

The instrument on the reverse side hereof was acknowledged before me by Victor Russell Hill, the Second affiant, this 21st day of May, A.D. 1951

Witness my hand and official seal

[Signature]
Notary Public

STATE OF COLORADO

COUNTY OF PUEBLO

The foregoing instrument was acknowledged before me this 24th day of May, 1951, by Margaret Russell Jones and Julia Russell Jones

Witness my hand and official seal

My Commission Expires April 18, 1956

[Signature]
Notary Public

Recorded at _____
Reception No. _____

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THIS DEED, Made this 28th day of April, 1908, in the year of our Lord one thousand nine hundred and eight, fifty-one, between Margaret Hasselman Jones, Julia Hasselman Keller, May Hasselman Kouns and Jennie Hasselman Hill, of the City and County of Denver, and State of Colorado, of the first part, and Earl M. Kouns, of the City and County of Denver, and State of Colorado, of the second part,

WITNESSETH, that the said parties of the first part, for and in consideration of the sum of Ten dollars (\$10.00) other good and value consideration, to the said part 1ES of the first part in hand paid by the said part y of the second part, the receipt whereof is hereby confessed and acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell, convey and confirm, unto the said part y of the second part, his heirs and assigns forever, all the following described lot S of land, situate, lying and being in the County of San Juan, New Mexico

An undivided one half interest in and to the Southwest quarter of Section eight (8) in Township Twenty-nine (29) North Range eleven (11) West N.M.P.M.

TOGETHER with all and singular the bargainsments and appurtenances thereto pertaining, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof and all the estate, right, title, interest, claim and demand whatsoever of the said part 1ES of the first part, either in law or equity, of, in and to the above bargained premises, with the bargainsments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the said part y of the second part, his heirs and assigns forever, And the said part 1ES of the first part, for themselves their heirs, executors, and administrators, do covenant, grant, bargain and agree to and with the said part 1ES of the second part, their heirs and assigns, that at the time of the making and delivery of these presents, ARE well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and have good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid, and that the same are free and clear from all former and other debts, bargains, sales, liens, taxes, assessments and encumbrances of whatever kind or nature soever.

and the above bargained premises in the quiet and peaceable possession of the said part y of the second part, his heirs and assigns against all and every person or persons lawfully claiming or to claim the same or any part thereof, the said part 1ES of the first part shall and will WARRANT AND FOREVER DEFEND.

IN WITNESS WHEREOF, the said part 1ES of the first part have hereunto set their hand and seal the day and year first above written.

Margaret Hasselman Jones (SEAL)
Julia Hasselman Keller (SEAL)
May Hasselman Kouns (SEAL)
Jennie Hasselman Hill (SEAL)

STATE OF COLORADO
County of _____
The foregoing instrument was acknowledged before me this 28th day of April, 1908, by May Hasselman Kouns, and she claims also to be _____
My commission expires _____
Margaret D. Lacey