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CITY: Santa Fe, New Mexico

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DATE: 9/14/09

MEMO: Richard: This is the pre-hearing statement I filed in Case 14282months ago. Go ahead and continue it.

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9/15/09

**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 SYNERGY OPERATING,
LLC FOR COMPULSORY POOLING, SAN
JUAN COUNTY, NEW MEXICO.**

Case No. 14,282

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Synergy Operating, LLC
P.O. Box 5513
Farmington, New Mexico 87499
Attention: Patrick Hegarty

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the W/2 of Section 8, Township 29 North, Range 13 West, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the Airport 29-13-8 Well No. 113, to be located at an orthodox location in the NW/4NW/4 of Section 8. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT**PROPOSED EVIDENCE**APPLICANTWITNESSESEST. TIMEEXHIBITS

Patrick Hegarty
(landman)

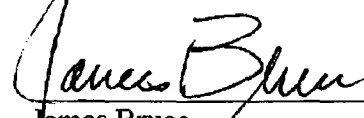
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IF THE MATTER IS UNCONTESTED, IT MAY BE PRESENTED BY AFFIDAVIT.

OPPONENTWITNESSESEST. TIMEEXHIBITS**PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce
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Attorney for Synergy Operating, LLC