

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF REGENERATION ENERGY
CORP. FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

Case No. 15043

RESPONSE IN OPPOSITION TO MOTION FOR CONTINUANCE

Regeneration Energy Corp. ("Regeneration") opposes the motion filed by Chevron U.S.A. Inc. ("Chevron") for a continuance, and states:

1. Regeneration opposes a further continuance because Chevron has completely failed to move forward with proposing or drilling wells in the subject Section 17, which is exhibited by the following facts:

- (a) Regeneration and Chevron have been in discussions for approximately one year (not "several months" as asserted by Chevron).
- (b) Chevron has never sent a well proposal to Regeneration. As a result, Regeneration moved forward by proposing a well to Chevron and obtaining an APD. Due to lack of a response from Chevron, Regeneration filed its application in this case.
- (c) This case was set for hearing on September 22nd. Chevron asked for a continuance to "allow for additional talks," as stated in its motion. However, Chevron did not contact Regeneration in the interim, but simply requested a further continuance to file a counter-application (again, no well proposal has been sent to Regeneration).

Chevron's inactivity should not be grounds for a continuance.

2. In addition, Regeneration disputes Chevron's statement that "the parties are now at an impasse" over development of Section 17. Both parties are in favor of drilling Bone Spring wells. Regeneration proposed to Chevron drilling a pilot hole through the 3rd Bone Spring to

determine the best zone in which to complete the initial well, and Chevron is apparently agreeable to this proposal.

3. The only issue in this case is a simple one: Who should operate? Under Division precedent, Regeneration's actions in getting a well drilled should trump interest ownership.

WHEREFORE, Regeneration requests that Chevron's request be denied.

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 30th day of September, 2013 by facsimile transmission:

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