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

APPLICATION OF ENDURING RESOURCES, LLC FOR APPROVAL OF THE LONE MESA UNIT, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 16398

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APPLICANT'S PREHEARING STATEMENT

ENDURING RESOURCES, LLC, ("Enduring") (OGRID No. 372286) submits this Prehearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Enduring Resources, LLC 1050 17th Street, Suite 2500 Denver, Colorado 80265

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

Applicant seeks approval of its Lone Mesa Unit consisting of approximately 5,445.18 acres of Federal, State, and Allotted Indian lands situated in all or parts of the Sections 19, 28-33, Township 22 North, Range 8 West, and Sections 25 and 36, Township 22 North, Range 9 West, NMPM, San Juan County, New Mexico. Following meetings with the Bureau of Land

Management and the New Mexico State Land Office, the unitized interval has been modified to no longer include all depths, but instead to include only the Fruitland formation described as follows:

All oil and gas in the Fruitland formation of the unitized land, defined as being from the top of the Fruitland Formation at a depth of 396 feet down to the stratigraphic equivalent of the base of the Fruitland Formation at a depth of 690 feet as encountered in the Dugan Production Corporation Zappa 1 well in Section 20, Township 22 North, Range 8 West, N.M.P.M.

Enduring owns approximately 98 percent of the working interest in the Unit Area and has received preliminary approval of the Unit Agreement from the Bureau of Land Management, the Federal Indian Minerals Office, and the State Land Office. Notice of this application has been provided by mail and publication in a local newspaper of general circulation in San Juan County, New Mexico.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Paul Brooke – Landman	Approx. 10	Approx. 5
Robert German – Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

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