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

IN THE MATTER OF APPLICATION OF ENDURING RESOURCES, LLC TO CONTRACT THE BASIN MANCOS POOL FROM THE PROPOSED HAYNES CANYON UNIT AREA AND EXPAND THE COUNSELORS GALLUP-DAKOTA POOL TO THE INTERIOR BOUNDARY OF THE PROPOSED HAYNES CANYON UNIT AREA, RIO ARRIBA COUNTY, NEW MEXICO.

NOMENCLATURE CASE NO. 22899 ORDER NO. R-22369

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 4, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Due public notice has been given, and the Division has jurisdiction of the case and the subject matter.
- 2. Enduring Resources, LLC ("Operator") testified in support of certain modifications of the Basin Mancos Gas Pool and the Counselors Gallup-Dakota Oil Pool located in Rio Arriba County, New Mexico.
- 3. No other party entered an apperance or opposed this application.
- 4. The Basin Mancos Gas Pool should be contracted outside the proposed Haynes Canyon Unit ("Unit") and the Counselors Gallup-Dakota Oil Pool should be expanded to cover the proposed Unit in order to foster administrative reporting and efficiency.

CONCLUSIONS OF LAW

- 5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

8. The Basin Mancos Gas Pool (Pool Code 97232) is hereby contracted to remove the following acreage:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 2: NW/4 Section 11: E/2 Section 12: W/2 W/2

9. The Counselors Gallup-Dakota Oil Pool (Pool Code 13379) is hereby expanded to include the following acreage:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 2: NW/4 Section 11: E/2 Section 12: W/2 W/2

- 10. Pursuant to Section 70-2-18, NMSA 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have sixty (60) days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that well or to obtain a nonstandard unit approved by the OCD. Pending such filing or approval, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. An operator's failure to file Form C-102 or to obtain OCD's approval of a nonstandard unit as specified above shall subject the well to cancellation of its allowable.
- 11. This Order shall be effective on the date of signature by the OCD Director.
- 12. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.



Date: 11/17/2022

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