

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

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION TO CONSIDER:**

**Case No. 22854  
Order No. R-23096**

**APPLICATION OF ENDURING RESOURCES, LLC FOR APPROVAL OF THE  
HAYNES CANYON UNIT, RIO ARRIBA COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and the recommendations of the Hearing Examiner,

**FINDS THAT:**

- (1) Due public notice has been given, and the OCD has jurisdiction of this case and its subject matter.
- (2) Enduring Resources, LLC (“Applicant”) is seeking approval from the U.S. Bureau of Land Management (“BLM”) and New Mexico State Land Office (“SLO”), as applicable, of the Haynes Canyon Unit (“Unit”) consisting of 4,201.98 acres of the following lands situated in Rio Arriba County, New Mexico (“Unit Area”):

Township 23 North, Range 6 West, N.M.P.M.

Section 2: NW/4  
Section 3: All  
Section 4: All  
Section 9: E/2, S/2 NW/4, S/2 SW/4, NE/4 SW/4  
Section 10: All  
Section 11: All  
Section 12: W/2 W/2  
Section 15: All  
Section 16: NE/4

(3) Unitized Interval: The unitized interval for the Unit is a subset of the Mancos formation, which is defined as the stratigraphic equivalent of the top of the Mancos formation found at 4,538 feet MD to the base of the Gallup formation found at 5,620 feet MD in the Enchilada No. 2X well located in the SE/4 NE/4 of Section 16 of Township 23 North, Range 6 West, N.M.P.M. in Rio Arriba County, New Mexico (API No. 30-039-31194).

(4) The unitized interval underlying the Unit is currently designated by the OCD as a part of the COUNSELORS GALLUP-DAKOTA pool (Pool Code: 13379).

(5) Applicant presented testimony and exhibits as follows:

a. The Unit is a proposed federal exploratory unit and a subset of the Mancos formation will be unitized.

b. The Unit is comprised of seventeen (17) tracts of which ten (10) are federal tracts, one (1) are state tracts, and six (6) are fee tracts.

c. The Unit obligation well will be a horizontal well with at least a one-mile lateral within the Mancos formation.

d. Applicant presented the proposed Unit Agreement ("Unit Agreement"). The Unit Agreement designates Applicant as the Unit Operator and has provisions for expansion or contraction of the Unit.

e. Applicant has received a logical designation letter from the BLM, indicating the land proposed for unitization is logically subject to exploration and development. The BLM assigned NMNM 142111X as the case serial number to the Unit.

f. Notice was provided of this application to the overriding royalty owners within the Unit Area and to the BLM and SLO. Public notice was published in the newspaper of general circulation.

(6) Applicant requested the exclusion of some existing wells from the Unit. The existing vertical wells will be excluded.

(7) Alpine Resources, LLC appeared at the hearing but did not object to the case proceeding.

(8) All proposed unit acreage appears prospective for recovery of oil and gas from the target formations under the concept proposed by the Applicant. These acres should be unitized and should equally share in the benefits from future oil and gas recovery.

(9) The approval of the Unit will serve to prevent waste and protect correlative rights within the lands assigned to the Unit Area.

**IT IS THEREFORE ORDERED THAT:**

(1) OCD recommends approval of the Unit.

(2) The Unit Area comprises 4,201.98 acres situated in Rio Arriba County, New Mexico and described above.

(3) This Order shall become effective upon the signature of all parties to the Unit Agreement.

(4) OCD recognizes that Enduring Resources, LLC (OGRID No. 372286) is designated the Unit Operator under the Unit Agreement.

(5) Upon the approval of the Unit Agreement and filing of the Unit Agreement with the OCD, the Unit Area will be recognized by the OCD as a “unitized area” as provided in 19.15.16 NMAC.

(6) The Unit Operator will ensure that the names of the Unit wells are uniform and include the name of the Unit.

(7) The plan contained in the Unit Agreement for the development and operation of the above-described Unit Area is hereby approved in principle; provided, however, notwithstanding any of the provisions contained in the Unit Agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation that is now, or may hereafter be, vested in the OCD to supervise and control operations for the unit and production of oil and gas therefrom.

(8) The Unit Operator shall file with the OCD the fully executed Unit Agreement within thirty (30) days of the effective date of the Unit Agreement. In the event of (a) subsequent joinder by any other party, (b) expansion or contraction of the Unit Area, (c) change of Unit Operator, or (d) termination of the Unit or Unit Agreement, the Unit Operator shall file with OCD, within thirty (30) days after approval or notification of the BLM or SLO, the amended Unit Agreement or other documentation reflecting the changes.

(9) All filings required by this Order shall be submitted to the OCD Engineering Bureau ([OCD.Engineer@emnrd.nm.gov](mailto:OCD.Engineer@emnrd.nm.gov)). OCD may notify the Unit Operator of any changes to the filing process without need to amend this Order.

(10) Jurisdiction of this case is retained for the entry of such further orders as the OCD may deem necessary.

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**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'D. Fuge', is written over a horizontal line.

**DYLAN M. FUGE  
DIRECTOR (ACTING)**

**Date:** 3/15/24