

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

2014 JAN 17 A 9:49

**IN THE MATTER OF THE  
APPLICATION OF CHEVRON USA INC.  
FOR A NON-STANDARD SPACING  
AND PRORATION UNIT AND  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**CASE NO. 15074**

**AMENDED PRE-HEARING STATEMENT**

This Pre-hearing Statement is submitted by Endurance Resources, LLC by and through its undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT:**

Chevron U.S.A., Inc.  
Michael H. Feldewert  
Holland & Hart  
PO Box 2208  
Santa Fe, NM 87504-2208  
(505)988-4421

**ATTORNEY:**

Ernest L. Padilla  
Padilla Law Firm, P.A.  
P.O. Box 2523  
Santa Fe, New Mexico 87504  
Attorney for Endurance Resources, LLC  
(505) 988-7577

**OPPOSITION OR OTHER PARTY:**

Endurance Resources, LLC

**STATEMENT OF CASE**

**APPLICANT:**

**OPPOSITION OR OTHER PARTY:**

Endurance Resources, LLC opposes the application of Chevron U.S.A. Inc. on the basis that it proposes a spacing and proration unit composed of the E/2 of Section 18, Township 23 South, Range 24 East, NMPM, Lea County, New Mexico. Endurance Resources, LLC has filed its own case in OCD Case No. 15084. A copy of the Endurance Resources, LLC application is attached hereto as Exhibit A.

**PROPOSED EVIDENCE**

**APPLICANT**

WITNESSES	EST. TIME	EXHIBITS
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**OPPOSITION**

WITNESSES	EST. TIME	EXHIBITS
Don Ritter (Engineer) OR Manny Sirgo (Engineer)	45 min.  45 min.	Engineering related exhibits  Calculation to the benefit of recovery through a North South oriented well
Randall Harris (Geologist)	30 min.	Geologist Structure maps Type Log Geologic Evidence showing Natural Fracturing in the area
Jason South (Land man)	30 min.	Land maps Land ownership Joinder information Notice requirements
Ernest L. Padilla		Affidavit of Service

**PROCEDURAL MATTERS**

Endurance Resources, LLC moves the Division to consolidate the Chevron U.S.A. Inc. application and the Endurance Resources, LLC application, on the basis that the applications deal with the same land and on the basis that Endurance Resources, LLC, has not received 20 day notice and therefore the application should be continued to February 6, 2014.

PADILLA LAW FIRM, P.A.



ERNEST L. PADILLA

Attorney for Endurance Resources, LLC

PO Box 2523

Santa Fe, New Mexico 87504

505-988-7577

**CERTIFICATE OF SERVICE**

I hereby certify that I caused a copy of this Amended Pre-Hearing Statement to be served upon, Chevron U.S.A., Inc., Michael H. Feldewert, Holland & Hart, PO Box 2208, Santa Fe, NM 87504-2208, by electronic mail to [mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com) this 17<sup>th</sup> day of January, 2014.



ERNEST L. PADILLA

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

**IN THE MATTER OF THE APPLICATION  
OF ENDURANCE RESOURCES, LLC  
FOR COMPULSORY POOLING AND  
NON-STANDARD SPACING AND  
PRORATION UNIT, LEA COUNTY, NEW MEXICO.**

2018 JAN 17 A 9:50

**CASE NO. 15084**

**APPLICATION FOR COMPULSORY POOLING, NON-STANDARD  
SPACING AND PRORATION UNIT, AND UNORTHODOX LOCATION**

ENDURANCE RESOURCES, LLC applies for an order pooling all mineral interests from the surface of the earth to a depth sufficient to test the Bone Springs Formation (Bell Lake Bone Spring, North Pool, No. 5150), non-standard spacing and proration unit, underlying the E/2 of Section 18, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

In support of this application, Applicant states:

1. Applicant is an interest owner in the E/2 of Section 18, and has the right to drill thereon.
2. Applicant proposes to drill its Starcaster 18 Federal 4H well to be located at a standard well location having a surface location 330 FNL and 660 FEL of Section 18 and a bottom hole location of 330 FSL and 660 FEL of said Section 18.
3. Applicant seeks to dedicate the E/2 of Section 18 to the well to form a non-standard 320 acre spacing and proration unit as to the Bone Spring formation and for any other formations or pools encountered for developed on 320 or less acre spacing within the vertical extent of the well.

4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E/2 of Section 18 for the purposes set forth herein.

5. Certain mineral owners have failed or refused to join in the drilling of the proposed well, therefore, applicant seeks an order pooling all mineral interest owners in the E/2 of Section 18 pursuant to NMSA 1978, Section 70-2-17.

6. The pooling of all mineral interests as requested in this application underlying the E/2 of Section 18 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the E/2 of Section 18;
- B. Approving this application with respect to non-standard spacing and proration unit.
- C. Designating Applicant as the operator of the well;
- D. Considering the cost of completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and,
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

PADILLA LAW FIRM, P.A.

By: 

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