

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

July 15, 2010

Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Please dismiss the following case:

Case 14513 (RSC Resources, L.P.)

Please continue the following cases to the August 5, 2010 hearing:

Case 14512 (RSC Resources, L.P.)

Case 14514 (RSC Resources, L.P.)

Case 14515 (RSC Resources, L.P.)

Please continue the following case to the August 22, 2010 hearing:

Case 14489 (reopened) (Cimarex Energy Co.). The Division reopened the case on its own motion. However, applicant did not receive the order in time to give the required notice.

Thank you.

Very truly yours,

  
James Bruce

Attorney for applicants

W 255 7/19/10

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF RSC RESOURCES LIMITED  
PARTNERSHIP FOR A NON-STANDARD OIL  
SPACING AND PRORATION UNIT AND COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**Case No. 14,515**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

RSC Resources LP  
6824 Island Cr.  
Midland, Texas 79707  
Attention: Randy S. Cate  
rscip@suddenlink.net

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2N/2 of Section 17, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring and Wolfcamp formations underlying the following described acreage in Section 17, Township 26 South, Range 33 East, NMPM, and in the following manner: (i) the Bone Spring formation underlying the N/2N/2 of Section 17 to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent; and (ii) the Wolfcamp formation underlying all of Section 17, Township 26 South, Range 33 East, NMPM, to form a standard 640 acre gas spacing and proration unit for any formations and/or pools developed on 640 acre spacing within that vertical extent, including

WVS 7/19/10

the Red Hills-Wolfcamp Gas Pool. The units are to be dedicated to the Red Bull "17" Fed. Com. Well No. 1, to be drilled in the NW/4NW/4 of Section 17 to test the Wolfcamp formation, which may subsequently be drilled horizontally in the Bone Spring formation with a surface location in the NW/4NW/4, and a terminus in the NE/4NE/4, of Section 17. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Endeavor Energy Resources, L.P. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

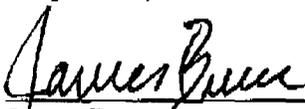
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Kirk Smith (landman)	15 min.	Approx. 6
Randall Cate (engineer)	15 min.	Approx. 6

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for RSC Resources Limited Partnership