

**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.**

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.

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NMOCD Case No. 15084; Application of Endurance Resources, LLC for compulsory pooling and non-standard spacing and proration unit, Lea County, New Mexico; Applicant seeks an order pooling all mineral interests from the surface of the earth to the base of the Bone Springs formation underlying the E/2 of Section 18, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. 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. Applicant seeks to dedicate the E/2 of Section 18 to the well to form a non-standard 320 acre spacing and proration unit for any formations and/or pools developed on 320 acres or less within the vertical extent, including the Bone Spring formation. The subject lands are located approximately 18 miles northwest of Jal, New Mexico.