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September 13, 2011

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14743

Dear Florene:

Enclosed for filing, on behalf of Endeavor Energy Resources, L.P., are an original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the October 13, 2011 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Endeavor Energy Resources, L.P.

Parties Being Pooled

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF ENDEAVOR ENERGY RESOURCES,
L.P. FOR APPROVAL OF A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

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Case No. 14743

APPLICATION

Endeavor Energy Resources, L.P. applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 15, Township 26 South, Range 33 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 15, and has the right to drill a well thereon.
2. Applicant proposes to drill its Red Bull 15 Fed. Com. Well No. 1 to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate to the well the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 15 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. The well will be a horizontal well, with an orthodox surface location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$, and a terminus at an orthodox location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, of Section 15.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 15 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

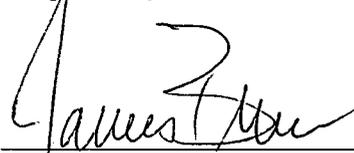
Therefore, applicant seeks an order pooling all mineral interest owners in the E½E½ of Section 15, pursuant to NMSA 1978 §§70-2-17, 18.

5. The pooling of all mineral interests underlying the E½E½ of Section 15 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. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E½E½ of Section 15;
- B. Pooling all mineral interests in the Bone Spring formation underlying the E½E½ of Section 15; and
- C. Designating applicant as operator of the well.

Respectfully submitted,



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

Attorney for EOG Resources, Inc.

PROPOSED ADVERTISEMENT

Case No. 14743:

Application of Endeavor Energy Resources, L.P. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2E/2 of Section 15, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2E/2 of Section 15 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. The unit is to be dedicated to the Red Bull "15" Fed. Com. Well No. 1, a horizontal well to be drilled with a surface location in the SE/4SE/4, and a terminus in the NE/4NE/4, of Section 15. 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. The unit is located approximately 20 miles west of Bennett, New Mexico.

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