

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



July 18, 2018

Enduring Resources, LLC
Attn: James McDaniel
332 CR 3100
Aztec NM 87410

Re: 2018 Bradenhead Plan of Action response, RBDMS MPK1810956049

Well: Kline 10 #4, UL J, Sec 10, Twn 31N, Rge 13W, API # 30-045-33545

Dear Mr. McDaniel,

On June 22, 2018, we received Enduring Resources' (Enduring) plan of action response letter for the above well. The letter indicated the gas does not appear to be from the well casing. This implies the gas is due to backside migration. The original cementing record on the well shows the cement circulated to the surface. The original cement job should have sealed off, separated and isolated the Strata as required by 19.15.16.9 and 19.15.16.10 NMAC. Pursuant to 19.15.16.11 NMAC Enduring is required to investigate the source of the gas and proceed with diligence, as it appears the well may have faultily cemented casing which may cause contamination of fresh waters due to the migration.

Enduring's request to produce the gas from the bradenhead is denied as the formation source is unknown and this well is only authorized to produce from the Basin Fruitland Coal.

As the previous letter indicated Enduring is required to take action. This includes the investigation and potential remediation before **September 7, 2018**. **Enduring is required to submit their plans for investigation and remediation for review and approval prior to beginning operations.**

If you have any questions, please call me at 505-334-6178, ext. 123.

Sincerely yours,

Brandon Powell
Inspection and Enforcement Supervisor
District III - Aztec

CC: Well File