District I (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240 District II (575) 748-1283 811 S. First St., Artesia, NM 88210 District III (505) 334-6178 1000 Rio Brazos Road, Aztec, NM 87410 District IV (505) 827-8198 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Form C-106 Revised August 1, 2011

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

3-36 ACT Permit No.

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator Enduring Resources IV, LLC	
Address 200 Energy Court Farmington, NM 87401	County San Juan
Lease(s) to be served by this ACT Unit: NMNM130812X (S. Pool(s) to be served by this ACT Unit Rusty Gallup Oil Pool (
Location of ACT System: Unit F Section 26 Order No. authorizing commingling between leases if more than one	
	Date <u>5/15/2017</u>
Order No. authorizing commingling between pools if more than one p	pool is to be served by this system
<u>N/A</u>	Date <u>N/A</u>
Authorized transporter of oil from this system Enduring Reso	ources IV, LLC MMOCD
Transporter's address 200 Energy Cour	rt Farmington, NM 87401 OCT 10 2018
If system fails to transfer oil due to malfunction or otherwise, waste b	Providing adequate available capacity to receive production during maximum unattended time of lease operation 19.15.18.15.C(9) NMAC
NA	
If "B" above is checked, how much storage capacity is available above	
surge tank 150 BBLS.	
What is the normal maximum unattended time of lease operation?	Sixteen (16) Hours.
What device will be used for measuring oil in this ACT unit? CHECK ONE: Positive displacement meter	Weir-type measuring vessel
Positive volume metering chamber	Other; describe Coriolis Meter
Remarks:This LACT will be selling to pipeline.	
OPERATOR: I hereby certify above information is true and complete to best of my knowledge and subject ACT system will be installed and operated in accordance with Rule 19.15.18.15 NMAC. Approval of this Form C-106 does not eliminate necessity of an approved C-104 prior to running any oil or gas from this system. Signature Printed Name & Title_Lacey Granillo, Permit Specialist E-mail Address	OIL CONSERVATION DIVISION Approved by: Stand Sulface Supervision of the puty Oil & Gas Inspector, District #3 Date: 10/25/18
DIGEDIACTIONS OF STATE OF STAT	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

INSTRUCTIONS: Submit one copy of Form C-106 with following attachments to appropriate district office.

- 1) Lease plat showing all wells which will be produced in ACT system.
- 2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.
- 3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.



NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT S ESCAVADA UNIT 352H/353H/354H PIPELINE LACT UNIT:

WELLS TO BE SERVED BY PIPELINE LACT UNIT:

- S ESCAVADA UNIT 352H / API # 30-043-21323/ UNIT F Sec. 26, T22N, R7W, NMPM
- S ESCAVADA UNIT 353H / API # 30-043-21320/ UNIT F Sec. 26, T22N, R7W, NMPM
- S ESCAVADA UNIT 354H / API # 30-043-21319/ UNIT F Sec. 26, T22N, R7W, NMPM

19.15.18.15 AUTOMATIC CUSTODY TRANSFER EQUIPMENT:

- A. Oil shall be received and measured in facilities of an approved design. The facilities shall permit the testing of each well at reasonable intervals and may be comprised of manually gauged, closed stock tanks for which the operator of the ACT system has prepared proper strapping tables, or of ACT equipment. The division shall permit ACT equipment's use only after the operator complies with the following. The operator shall file with the division form C-106 and receive approval for use of the ACT equipment prior to transferring oil through the ACT system. The carrier shall not accept delivery of oil through the ACT system until the division has approved form C-106.
 - Summary is attached to Form C-106 Notice of Intent to Utilize Automatic Custody Transfer Equipment
- **B.** The operator of the ACT system shall submit form C-106 to the appropriate division district office, which is accompanied by the following:
 - (1) plat of the lease showing all wells that the any well operator will produce into the ACT system;
 - Attached as part of Form C-106 Notice of Intent
- (2) schematic diagram of the ACT equipment, showing on the diagram all major components such as surge tanks and their capacity, extra storage tanks and their capacity, transfer pumps, monitors, reroute valves, treaters, samplers, strainers, air and gas eliminators, back pressure valves and metering devices (indicating type and capacity, *i.e.* whether automatic measuring tank, positive volume metering chamber, weir-type measuring vessel or positive displacement meter); the schematic diagram shall also show means employed to prove the measuring device's accuracy; and
 - Attached as part of Form C-106 Notice of Intent
 - (3) letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.
 - Attached as part of Form C-106 Notice of Intent
- **C.** The division shall not approve form C-106 unless the operator of the ACT system will install and operate the ACT system in compliance with the following requirements.
- (1) Provision is made for accurate determination and recording of uncorrected volume and applicable temperature, or of temperature corrected volume. The system's overall accuracy shall equal or surpass manual methods.
 - The LACT system is more accurate when compared to a manual tank sale. It is proved per BLM Onshore Order #4 Measurement of Oil and API MPMS Chapter 4 Proving Systems; with a volumetric prover that meets the requirements set forth in Onshore Order #4. The LACT also has a temperature RTD which will be calibrated semi-annually, unless more frequent verification is requested by the division.
- (2) Provision is made for representative sampling of the oil transferred for determination of API gravity and BS&W content.
 - The LACT is equipped with a flow proportional sampler (sample probe and actuated valve). The sampled fluid is stored in a sealed cylinder that is used for API gravity and S&W determination.
- (3) Provision is made if required by either the oil's producer or the transporter to give adequate assurance that the ACT system runs only merchantable oil.
 - The LACT is equipped with a water cut analyzer that communicates with the flow computer. When the S&W set point is reached the divert valve will engage sending non-merchantable oil to a divert tank. The set point can be adjusted in the flow computer but only if agreed upon by both shipper and producer.
- (4) Provision is made for set-stop counters to stop the flow of oil through the ACT system at or prior to the time the allowable has been run. Counters shall provide non-reset totalizers that are visible for inspection at all times.

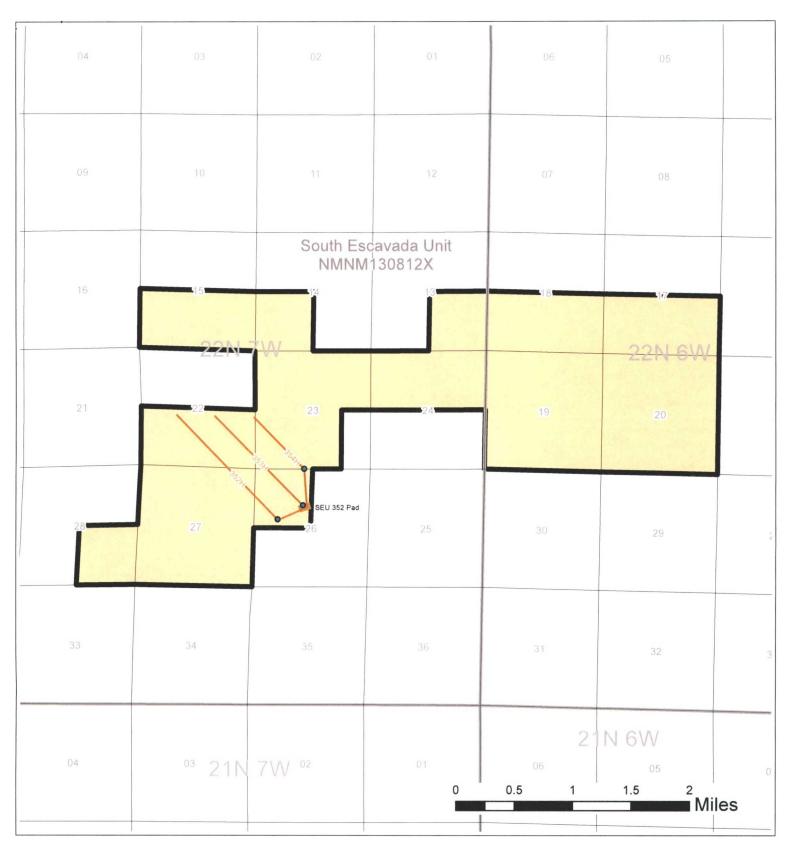
- The Coriolis meter has non-resettable totalizer which is always visibly available on the LCD display.
- (5) Necessary controls and equipment are enclosed and sealed, or otherwise arranged to provide assurance against, or evidence of, accidental or purposeful mismeasurement resulting from tampering.
 - Required ports are sealed and tracked in the seal log.
- (6) The ACT system's components are properly sized to ensure operation within the range of their established ratings. All system components that require periodic calibration or inspection for proof of continued accuracy are readily accessible; the frequency and methods of the calibration or inspection shall be as set forth in Paragraph (12) of Subsection C of 19.15.18.15 NMAC.
 - The Coriolis is proved per BLM Onshore Order #4 Measurement of Oil and API MPMS Chapter 4 Proving Systems; with a volumetric prover that meets the requirements set forth in Onshore Order #4. The prover is NIST traceable and water drawn on a bi-annual basis. Proving will be consistent with Onshore Order #4, unless a variance is granted by the Division. NMOCD representatives are sent the schedule to witness if desired. The temperature transmitter is verified on a semi-annual basis, unless more frequent verification is requested by the Division. The water cut analyzer is calibrated as needed.
- (7) The control and recording system includes adequate fail-safe features that provide assurance against mismeasurement in the event of power failure, or the failure of the ACT system's component parts.
 - In the event of power failure, the divert valve mechanically goes to "failed state" and no longer sales oil but only sends it to the divert tank.
 - All of the historized volume data is stored in flow computer memory with battery backup and is also transmitted by SCADA, multiple times a day, to an office server. So even during a power failure no oil volume is lost.
 - In the event of a malfunction, the LACT unit is programmed to shut off and divert valve is forced to close and no longer sales oil but only sends it to the divert tank. The malfunction is also logged by the flow computer.
- (8) The ACT system and allied facilities include fail-safe equipment as may be necessary, including high level switches in the surge tank or overflow storage tank that, in the event of power failure or malfunction of the ACT or other equipment, will shut down artificially lifted wells connected to the ACT system and will shut in flowing wells at the well-head or at the header manifold, in which latter case the operator of the ACT system shall pressure test all flowlines to at least $1\frac{1}{2}$ times the maximum well-head shut-in pressure prior to the ACT system's initial use and every two years thereafter.
 - Hi level switches are in place and will shut the well in at the inlet to the production unit in the event of a full tank. Flow lines were tested to 1 ½ times shut in pressure at initial construction. Testing will commence every two years to ensure piping integrity.
- (9) As an alternative to the requirements of Paragraph (8) of Subsection C of 19.15.18.15 NMAC the producer shall provide and at all times maintain a minimum of available storage capacity above the normal high working level of the surge tank to receive and hold the amount of oil that may be produced during maximum unattended time of lease operation.
 - N/A
- (10) In all ACT systems employing automatic measuring tanks, weir-type measuring vessels, positive volume metering chambers or any other volume measuring container, the container and allied components shall be properly calibrated prior to initial use and shall be operated, maintained and inspected as necessary to ensure against incrustation, changes in clingage factors, valve leakage or other leakage and improper action of floats, level detectors, etc.
 - N/A Coriolis Meter
- (11) In ACT systems employing positive displacement meters, the meter and allied components shall be properly calibrated prior to initial use and shall be operated, maintained and inspected as necessary to ensure against oil mismeasurement.
 - The Coriolis is proved per BLM Onshore Order #4 Measurement of Oil and API MPMS Chapter 4 Proving Systems; with a volumetric prover that meets the requirements set forth in Onshore Order #4. The prover is NIST traceable and water drawn on a bi-annual basis. Monthly proving will continue per the rule, unless a variance is granted by the Division. NMOCD representatives

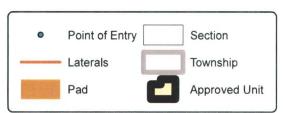
are sent the schedule to witness if desired. The temperature transmitter is verified on a semiannual basis, unless more frequent verification is requested by the Division.

- (12) The operator of the ACT system shall check the measuring and recording devices of ACT systems for accuracy at least once each month unless it has obtained an exception to such determination from the division. Where applicable, the operator of the ACT system shall use API standard 1101, Measurement of Petroleum Hydrocarbons by Positive Displacement Meter. Meters may be proved against master meters, portable prover tanks or prover tanks permanently installed on the lease. If the operator of the ACT system uses permanently installed prover tanks, the distance between the opening and closing levels and the provision for determining the opening and closing readings shall be sufficient to detect variations of 5/100 of one percent. The operator of the ACT system shall file reports of determination on the division form entitled "meter test report" or on another acceptable form in duplicate with the appropriate division district office.
 - The Coriolis is proved per BLM Onshore Order #4 Measurement of Oil and API MPMS Chapter 4 Proving Systems; with a volumetric prover that meets the requirements set forth in Onshore Order #4. The prover is NIST traceable and water drawn on a bi-annual basis. Monthly proving will continue per the rule, unless a variance is granted by the Division. NMOCD representatives are sent the schedule to witness if desired. The temperature transmitter is verified on a semi-annual basis, unless more frequent verification is requested by the Division.
- (13) To obtain an exception to the requirement in Paragraph (12) of Subsection C of 19.15.18.15 NMAC that all measuring and recording devices be checked for accuracy once each month, either the producer or transporter may file a request with the director setting forth facts pertinent to the exception. The application shall include a history of the average factors previously obtained, both tabulated and plotted on a graph of factors versus time, showing that the particular installation has experienced no erratic drift. The applicant shall also furnish evidence that the other interested party has agreed to the exception. The director may then set the frequency for determination of the system's accuracy at the interval which the director deems prudent.

N/A

D. The division may revoke its approval of an ACT system's form C-106 if the system's operator fails to operate it in compliance with 19.15.18.15 NMAC.





SEU 352 Pad Lease Plat Map Sandoval County, NM



District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (5/5) 393-6161 Fax: (5/5) 393-0720 District II
811 S. First Street, Antesia, NM 88210
Phone: (5/5) 748-1283 Fax: (5/5) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 8/410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Drive, Santa Fe, NM 8/505
Phone: (505) 4/6-3460 Fax: (505) 4/6-3462

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505

Form C-102 Revised August 1, 2011

Submit one copy to Appropriate District Office

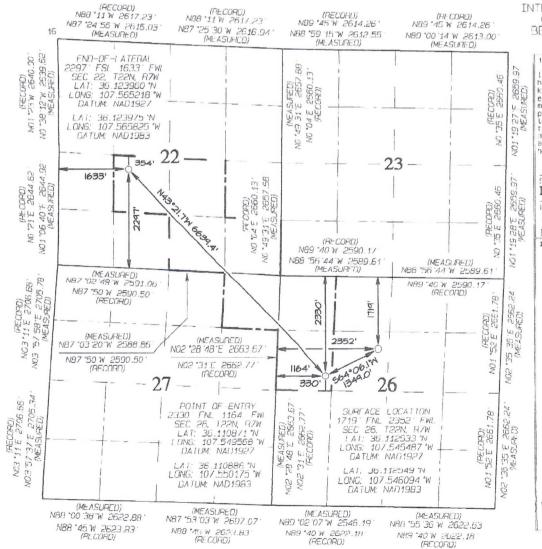
AMFNDED REPORT

AS DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

1,	API Number	r		*Pool Coo	pol Code 3 Pool Name					
30-043-2	1323			52860)	RUSTY GALLUP OIL POOL				
Property	rty Code				Property Name				"Well Number	
32215	1				S ESCAVADA UNIT				3524	
'OGRID	Na.				®Operator Name				°Elevation	
37228	36			EN	DURING RES	RESOURCES, LLC			6776	
					¹⁰ Sunface	Location		1		
UL or lat no.	Section	Township	Range	Let Idn	Feet from the	North/South line	Feet from the	East/West line	County	
F	26	55N	7W		1719	NORTH	2352	WEST	SANDOVAL	
	1	1	1 Botto	m Hole	Location I	f Different	From Surfac	9		
UL or lat na.	Section .	Township	Hange	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
K	55	SSN	7W		2297	SOUTH	1633	WEST	SANDOVAL	
* Dedicated				13 Joint or Infill	Infill IA Consolidation Code 15 Order No. R-14347					
						NO	ALLOWARIE W	THE BE ASSI		

NO ALLOWABLE WILL BE ASSIGNED
TO THIS COMPLETION UNTIL ALL
INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS
BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION "OPERATUR CERTIFICATION
I hereby certify that the information contained
herein is true and complete to the best of my
knowledge and belief, and that this organization
either owns a working interest or unleased
mineral interest in the land including the
proposed bottom-hole locathon or has a right
to drill this well at this location pursuant
to alcontract with an owner of such a mineral
or working interest, or to a voluntary pooling
agreement by a somoulsory pooling order
her storon of which of the division.

10/4/18 10/4/18 Lacey Granillo lgranillo@enduringresources.com E-mail Address *SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date Revised: OCTOBER 3, 2018 Date of Survey: JUNE 6, 2017 Signature and Seal of Professional Surveyor C. EDWARDS JASON MEXICO NEW. APOFESSION. SPINEY DWARDS Certificate Number 15269

District I 1625 N. French Drive, Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First Street, Antesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

State of New Mexico Energy, Minerals & Natural Resources Department

OTI CONCEDIVATION DIVICIONI

Form C-102 Revised August 1, 2011

Submit one copy to Appropriate District Office

District III 1000 Rio Brazos Road Phone: (505) 334–6178 District IV 1220 S. St. Francis Phone: (505) 476–3460	Fax:(505) 334 6 Orive, Santa Fe, 1	0 5170 122 0 NM 87505	0 South	RVATION Dl St. Francis Fe, NM 8750	Drive	1 -1	AMENDE Drilled	ED REPORT	
'API Num 30-043-21320		L LOCATION *Pool Code 52860					OOL		
Property Code 322151			Property S ESCAVAD				™Well Number 353H		
'088ID No. 3/2286		°Cperator Name ENDURING RESOURCES, LLC					°Flevat.ion 6776		
			Sunface	Location					
UL er let no. Section F 26		ange Lot Ian	1724	North/South line	Feet from the 2332	East/we		SANDOVAL	
					rom Surfa	зсе			
UL or lot no. Sectio		ange Lation	Feet from the 2299	North/South Tine SOUTH	Feet from the	East/We		SANDOVAL	
12 Declicated Acres 280.00 SW N/2 SE/4, SE		Section 23	Joint on Infill	¹⁴ Consolidation Code	15 Order No.	 R−14347	7		
MO3 23 11 E COMD 10 CO	1×30.	1. FEL (9.5 m) (9.6 m)	26	(MLASURED) NBB '55 '14" W 2589.5 NBB '40 W 2590.17" (RECORD) VAL FNL 2332 FW EC 26, T22N, R7W EC 26, T22N, R7W CNG: 107.545553 W DATUM: NAD1983 (MEASURED)	MEASURED) 101.19.28 E 2659.97 10.35 E 2659.45 10.35 E 2650.45 10.25 E 2650.45	erein is trun nowledge and ither owns a inneral interior own a dineral interior own and interior own and interior own a dineral interior own a dineral interior own a dineral own a dineral own and interior own and correct of the late of Signature are shown on the indices of and correct of the late of Signature are some one of the late of Signature are shown and correct of the late of Signature are some own and correct of the late of Signature are some own and correct of the late of Signature are some own and correct of the late of Signature are some own and correct of the late of Signature are some own and correct of the late of Signature are some own and correct of the late of Signature are some own and correct of the late of Signature are some own and correct of the late of	and the search of the search o	ERTIFICATION The information containe plate to the best of my and that this organization tenses of income the least of the best of my and that this organization or has a right cation or has a right cation or has a right to a voluntary pooling product to a voluntary pooling in pooling order the division. 10/4/18 Date ERTIFICATION The well location is plotted from field you made by me or under set the same is true set of my belief. OCTOBER 3, 2018 Y: JUNE 6, 2017 Professional Surveyor EDWARDS	

District I
1625 N. French Drive, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First Street, Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Drive, Santa Fe, NM 87505 Phone: (505) 476–3460 Fax: (505) 476–3462

State of New Mexico Energy, Minerals & Natural Resources Department Form C-102 Revised August 1, 2011

Submit one copy to Appropriate District Office

OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505

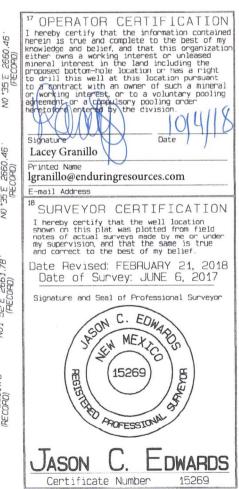
____ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

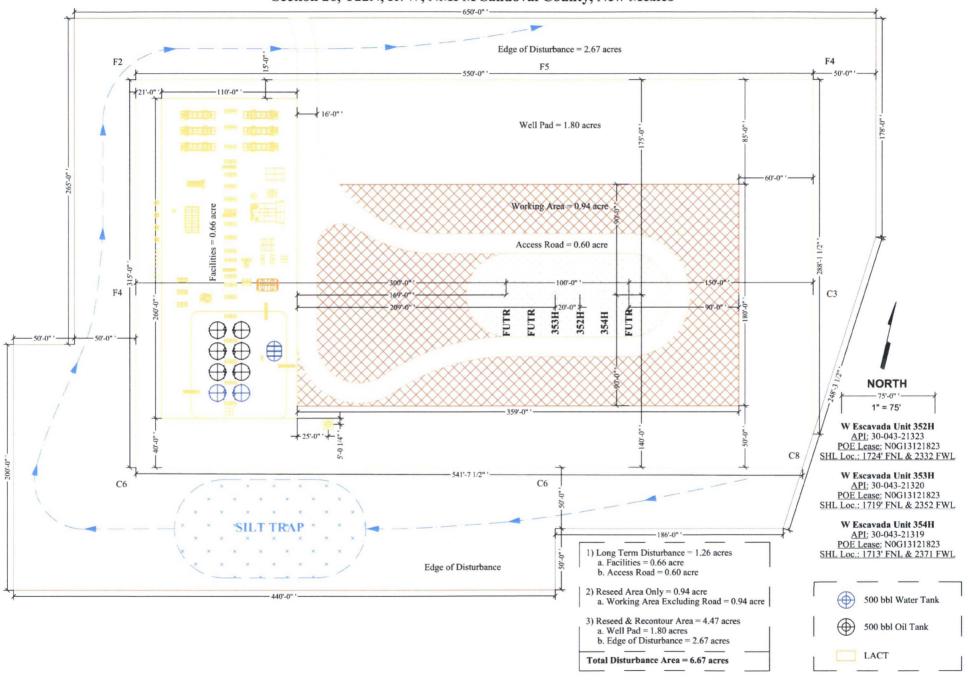
30-043-213	API Number 19	1		*Pool Coo 52860		Pool Name RUSTY GALLUP OIL POOL				
*Property Code 322151					*Property Name S ESCAVADA UNIT				°Well Number 354H	
'OGRID 1	No.			"Operator Name "El					°Elevation 6776'	
# # # # # # # # # # # # # # # # # # #					¹⁰ Surface	Location		1		
UL or lat no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West]	ine County	
F	26	22N	7W		1713	NORTH	2371	WEST	SANDOVAL	
	1	1	1 Botto	m Hole	Location I	f Different H	rom Surfac	е		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	ine County	
I	22	22N	7W		2329	SOUTH	539	EAST	SANDOVAL	
²² Dedicated Acres 200.00 NE/4 SE/4 - Section 22 NW/4 SW/4, S/2 SW/4 - Section 23				¹³ Joint or Infill	¹⁴ Consolidation Code	P Order No. R-14347				
NW/4 SW	/4, S/2 NE/4	SW/4 NW/4	- Sect:	ion 23			NO	ALLOWABL	E WILL BE ASSI	

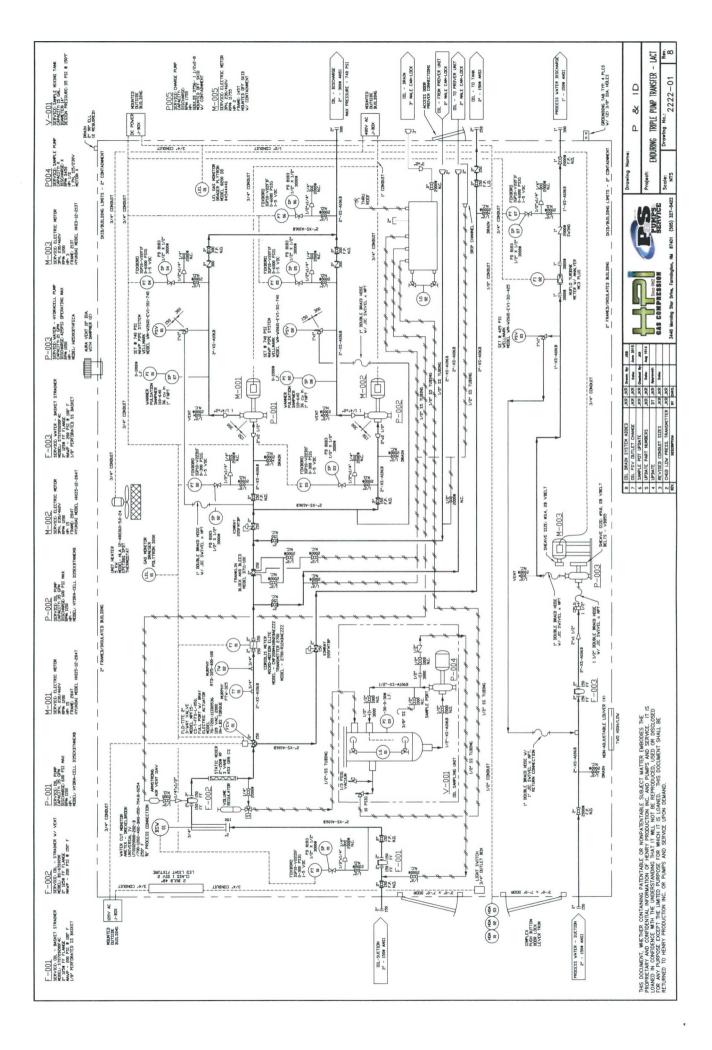
(RECORD) N88 °11 W 2617.23 (RECORD) NBB °11 W 2617.23 (RECORD) N89°45 W 2614.26 (RECORD) N87 °24 '56 "W 2616.03" (MEASURED) N87 *25 '30 "W 2616.94" (MEASURED) N89 °45 W 2614.26 N88 *59 15 "W 2612.55" 16 N89 *00 '14"W 2613.00 (MEASURED) (MEASURED) (MEASURED) 8'12"W 2639.52' V 2640.00 ' END-OF-LATERAL (MEASURED) NO1 *19 27 E 2659.97 · NO *35 E 2660.46 · (RECORD) 2329 FSL 539 FEL SEC 22, T22N, R7W 68 (MEASURED) 19'31"E 2657.68 *04"E 2660.13 (RECORD) LAT: 36.123736 °N LONG: 107.555086 °W DATUM: NAD1927 .23 W OA 'E .38. LAT: 36.123752 °N LONG: 107.555692 °W NO1 49 9 9 DATUM: NAD1983 90 530 22 23 92 330 (MEASURED) NO °49 '31 "E 2657.68 2644.62° (MEASURED) 97 (MEASURED) NO1*19'28"E 2659.9 NO*35'E 2660.46' 46 NO *04 E 2660.13 New 30 TAN 36 TAN 21 E 2329 (MEASURED) N88 °56 '44"W 2589.61 ON NO1 (MEASURED) NB7 *02 '49 "W 2591.06" N89 *40 W 2590.17 (RECORD) N87 *50 W 2590.50 (RECORD) 3 (MEASURED) N87 °03 '20 'W 2588.86 (MEASURED) *57 '58"E 2705.78" (MEASURED) NB8 *56 '44"W 2589.61 99. (MEASURED) 2 "35 '35"E 2662.24" 101 "52"E 2651.78" (RECOPD) 2210 NO2°54.2'W N87 *50 W 2590.50 (RECORD) 2706.(N89 *40 W 2590.17 (RECORD) PECO (MEASURED) · EON NO2 °28 '48 "E 2663.67 60N 7371 NO2 *31 E 2662.77 (RECORD) NO1 NOZ 26 34 (RECORD) NO2*31E_2662.77 O2*28*48*E_2663.67 2706.66° POINT-OF-ENTRY 3' FNL 2210' FWL SEC 26, T22N, R7W LAT: 36.117246'N LONG: 107.545793'W DATUM: NAD1927 (MEASURED) NO3 "57" 37" E 2705... SURFACE LOCATION 1713 FNL 2371 FWL SEC 26, T22N, R7W LAT: 36.112548 N LONG: 107.545422 W (MEASURED) 35.35.E. 2662.24 *52.E. 2661.78 (RECORD) NO3 °11 'E 35 35 52 E 4 (RECOL DATUM: NAD1927 LAT: 36.117262 "N LONG: 107.546399 °W LAT: 36.112563 °N LONG: 107.546028 °W NO2 : DATUM: NAD1983 DATUM: NAD1983 (MEASURED) N88 *00 '38 "W 2622.88 (MEASURED) N87 *53 '03 "W 2697.07 (MEASURED) N89 °02 '07 "W 2546.19 (MEASURED) N88 °55 36 "W 2622.63 N89 °40 W 2622.18" N88 *45 W 2623.83 N88 *45 W 2623.83 N89 °40 W 2622.18 ' (RECORD) (RECORD) (RECORD) (RECORD)

NO ALLOWABLE WILL BE ASSIGNED
TO THIS COMPLETION UNTIL ALL
INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS
BEEN APPROVED BY THE DIVISION



Enduring Resources IV, LLC's S Escavada Unit 352H Well Pad Facility Diagram Section 26, T22N, R7W, NMPM Sandoval County, New Mexico





Lacey Granillo

From:

Andrea Felix

Sent:

Thursday, October 04, 2018 9:34 AM

To:

Lacey Granillo

Cc:

Casey Haga

Subject:

RE: S Escavada Unit 352H PAD-C106 LETTER FROM TRANSPORTER

I approve the use of the S Escavada Unit 352H Pad Pipeline Transfer LACT Unit as described below.

Thank you,

Andrea R Felix, RWA

Regulatory Manager Enduring Resources 200 Energy Court Farmington, NM 87401 Office: 505-636-9741 Cell: 505-386-8205



From: Lacey Granillo

Sent: Thursday, September 20, 2018 1:10 PM **To:** Andrea Felix < A Felix @ enduring resources.com >

Cc: Casey Haga <caseyhaga@eis-llc.com>; Lacey Granillo <LGranillo@enduringresources.com>

Subject: S Escavada Unit 352H PAD-C106 LETTER FROM TRANSPORTER

Andrea,

As part of Enduring Resources IV, LLC's (Enduring) S Escavada Unit 352H Pad Pipeline Transfer LACT Unit C-106 LACT application to the NMOCD Aztec office, Enduring needs an approved letter from transporter. For this particular LACT unit, Enduring will be the transporter of product downstream of the LACT unit to an existing tie-in to Andeavor. This LACT Unit will be the official measurement point for sales with a Coriolis check meter downstream at tie-in for verification and pipeline monitoring only. Does Enduring approve of utilizing a LACT unit on the S Escavada Unit 352H Pad as the measurement point for sales for the below listed wells and transporting their own product downstream to tie-in? Pipeline Transfer LACT equipment for the below listed wells will be located on Enduring's S Escavada Unit 352H Pad. LACT will be proved per regulatory requirements.

S ESCAVADA UNIT 352H/353H/354H PIPELINE LACT UNIT: WELLS TO BE SERVED BY PIPELINE LACT UNIT:

- S ESCAVADA UNIT 352H / API # 30-043-21323/ UNIT F Sec. 26, T22N, R7W, NMPM
- S ESCAVADA UNIT 353H / API # 30-043-21320/ UNIT F Sec. 26, T22N, R7W, NMPM
- S ESCAVADA UNIT 354H / API # 30-043-21319/ UNIT F Sec. 26, T22N, R7W, NMPM

Thank you,

Lacey Granillo

Permitting Specialist Enduring Resources 332 Rd 3100 Aztec, NM 87410 (O) 505-636-9743

lgranillo@enduringresources.com



(C) 505-947-1704