State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Secretary Adrienne Sandoval, Division Director Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-5 form.

Operator Signature Date: **Original APD 11/6/2015** Sundry Extension Date 5/6/2019

WELL INFORMATION:

ENDURING RESOURCES, LLC 30-043-21281 S CHACO UNIT #908H

Conditions of Approval: (See the below checked and handwritten conditions) Notify Aztec OCD 24hrs prior to casing & cement. ✓ Hold C-104 for directional survey & "As Drilled" Plat Hold C-104 for NSL, NSP, DHC, O Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable: A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string Submit Gas Capture Plan form prior to spudding or initiating recompletions operations. Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84

√	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from
	the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in
	a steel closed loop system.

- Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.
- Comply with current regulations at time of spud
 Prior to production operator needs to be in compliance with RULE 19.15.5.9

NMOCD Approved by Signature

<u>5/24/2019</u>

Date

RECEIVED FORM APPROVED Form 3160-5 UNITED STATES OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT N0-G-1312-1799 SUNDRY NOTICES AND REPORTS ON WELL S and Management 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 1. Type of Well 8. Well Name and No. ⊠Oil Well Other Gas Well S CHACO UNIT 908H 2. Name of Operator Enduring Resources IV LLC 9. API Well No. 30-043-21281 10. Field and Pool or Exploratory Area 3b. Phone No. (include area code) 505-636-9743 Lybrook GL 200 Energy Court Farmington NM 87401 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 11. Country or Parish, State SHL: 1047' FSL & 356' FEL SEC 2 22N 7W Sandoval NM BHL: 49' FNL & 330' FWL SEC 2 22N 7W 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION □ Acidize Deepen ☐ Production (Start/Resume) ■Water ShutOff Notice of Intent ☐ Hydraulic Fracturing ☐Alter Casing Reclamation ☐ Well Integrity Casing Repair ☐ New Construction Recomplete Other APD Subsequent Report ☐ Temporarily Abandon **EXTENSION** Change Plans Plug and Abandon Final Abandonment Notice ☐Water Disposal ☐Convert to Injection ☐Plug Back

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

Enduring Resources requests, a 2-year extension on the above mentioned well. Original expiration date is 6/1/19.

Irial APD Obsession date	granted to 06/01/2021		
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)	U .		
Lacey Granillo	Title Permit Specialist		
Signature	Date 5/6/19		
THE SPACE FOR FEDERAL OR STATE OFICE USE			
Approved by Dave Mankiewicz	Title AFM-Min. Date 5/1/19		
Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject leavhich would entitle the applicant to conduct operations thereon.			

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

