

DATE IN 07/24/13	SUSPENSE	ENGINEER DB	LOGGED IN 07/24/2013	TYPE NSL	APP NO. 14K 1320552583
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

6843

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

30-025-27051
 Endurance Resources, LLC

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

Back Basin 001
 Stratocaster 20 Fed # 4H

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

2013 JUL 24 A 0:34
 RECEIVED 000

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jason South
 Print or Type Name

[Signature]
 Signature

Landman
 Title

7-18-13
 Date

jason@enduranceresourcesllc.com
 e-mail Address



July 18, 2013

***Via Certified Mail
Return Receipt Requested***

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Endurance Resources, LLC. for administrative approval of an unorthodox well location for its Stratocaster 20 Federal #4H well in the Bone Springs Formation in Section 20, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico

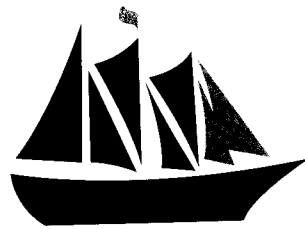
Dear Ms. Bailey:

Endurance Resources, LLC. hereby seeks administrative approval for an unorthodox well location for its Stratocaster 20 Federal #4H well located in Section 20, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The proposed well is to be drilled horizontally at a surface location of 1,980 feet from the South line & 660 feet from the East line and a bottom hole location of 330 feet from the North line & 660 feet from the East line. A 160 acre project area has been dedicated to this horizontal well comprised of the E/2E/2 of Section 20.

Exhibit A is a land plat for Section 20 and surrounding sections that shows the proposed non-standard location of the Stratocaster 20 Federal #4H well in relation to adjoining units and existing wells. This location is unorthodox because the formation under this acreage is governed by the Bell Lake Bone Spring Pool (Pool 5130) which provides for wells to be located no closer than 660 feet to the outer boundary of the spacing unit. The location of this well will be unorthodox because the entire completed interval will be closer than 660 feet to the boundary of the project area for engineering reasons, and is, therefore, unorthodox under the Division rules.

Exhibit B is the well location and acreage dedication plat (Form C-102), which shows that the proposed Stratocaster 20 #4H Federal well encroaches on the spacing and proration unit to the North and Northeast.

Exhibit C is the list of affected parties that the non-standard location encroaches. The proposed well encroaches upon the spacing and proration unit to the North in Section 17, where Chevron U.S.A. Inc. is



ENDURANCE
RESOURCES

the operator. The proposed well also encroaches upon the spacing and proration unit to the Northeast in Section 16, where Concho Resources, Inc. is the operator. A copy of this application and all enclosures have been sent to each of the identified affected parties at the address listed in Exhibit C.

Your attention to this application is appreciated.

Sincerely,
Endurance Resources, LLC.

Jason South, CPL
Landman

Enclosures

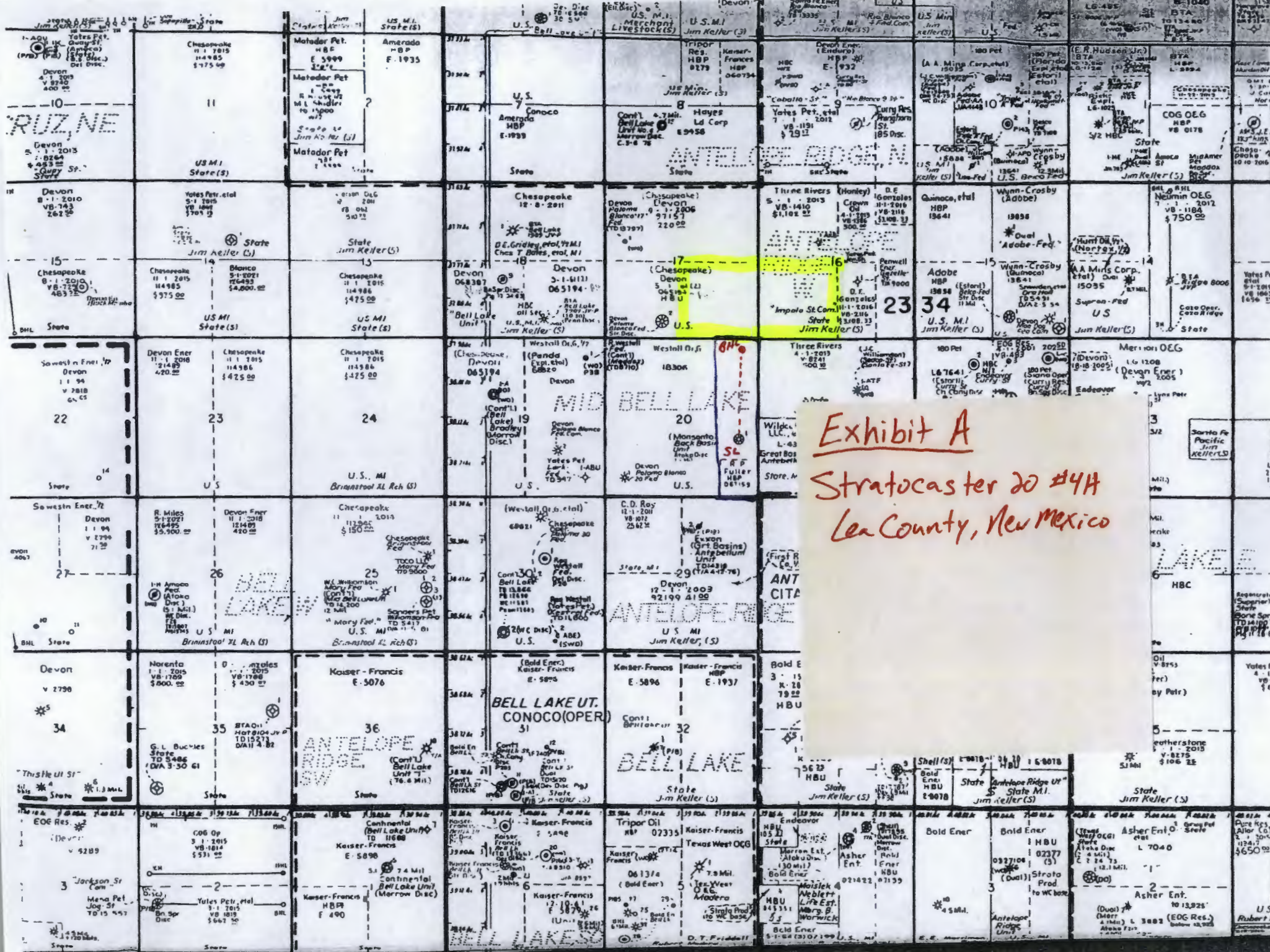


Exhibit A
Stratocaster 20 #4H
Lea County, New Mexico

Exhibit "B"

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., 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 Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27051	² Pool Code 5130	³ Pool Name Bell Lake Bone Spring Pool
⁴ Property Code	⁵ Property Name STRATOCASTER 20 FEDERAL	
⁷ OGRID No. 270329	⁸ Operator Name ENDURANCE RESOURCES, LLC	⁶ Well Number 4H
		⁹ Elevation 3496.6

¹⁰ Surface Location

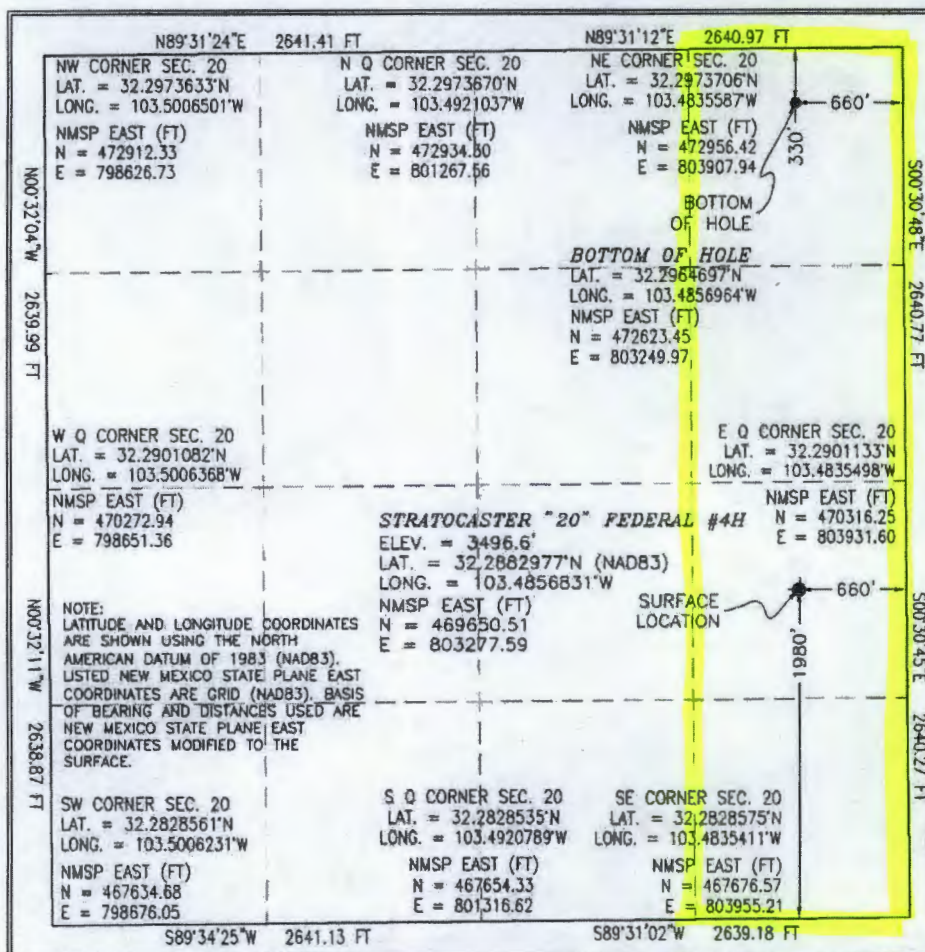
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	20	23 S	34 E		1980	SOUTH	660	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	23 S	34 E		330	NORTH	660	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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

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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ 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.

APRIL 25, 2013

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number: FILIMON F. JARAMILLO, PLS 12797

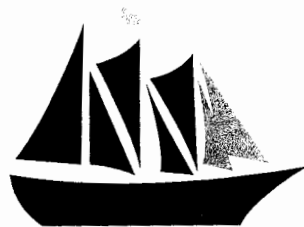
SURVEY NO. 1796

Exhibit C

Endurance Resources, LLC. NSL Application
Stratocaster 20 Fed #4H Well

Chevron U.S.A. Inc.
Attn: NOJV Group
Post Office Box 2100
Houston, Texas 77252

Concho Resources, Inc.
Attn: Caleb Hopson
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701



ENDURANCE
RESOURCES

July 18, 2013

***Via Certified Mail
Return Receipt Requested***

TO AFFECTED PARTIES

Re: Application of Endurance Resources, LLC. for administrative approval of an unorthodox well location for its Stratocaster 20 Federal #4H well in the Bone Springs Formation in Section 20, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was sent via certified mail to the New Mexico Oil Conservation Division on July 18, 2013, by Endurance Resources, LLC., for an unorthodox well location for its Stratocaster 20 Federal #4H well to be located in Section 20, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The proposed well is to be drilled horizontally at a surface location of 1,980 feet from the South line & 660 feet from the East line and a bottom hole location of 330 feet from the North line & 660 feet from the East line. A 160 acre project area has been dedicated to this horizontal well comprised of the E/2E/2 of Section 20.

As an owner of an interest that may be affected by the well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office, located at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

If you have any questions concerning this application, you may contact the undersigned by telephone at (432) 242-4683 or by email at jason@enduranceresourcesllc.com.

Sincerely yours,
Endurance Resources, LLC.

Jason South, CPL
Landman

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, August 15, 2013 2:21 PM
To: jason@enduranceresourcesllc.com
Subject: Endurance Resources LLC - Stratocaster 20 Federal #4H

Good Afternoon, Mr. South

According to Order R-4539, the spacing in the Bell Lake Devonian is 160-acres, with each unit to constitute a quarter section. Therefore it would seek that to accommodate your proposed horizontal in Units A, H and I of Section 20-23S-34E, you would need to designate a 320-acre project area comprising the entire E/2 of Section 20.

If you concur in this conclusion, please provide a revised Form C-102.

Sincerely

David K. Brooks

Brooks, David K., EMNRD

From: Jason South <jason@enduranceresourcesllc.com>
Sent: Monday, August 19, 2013 9:37 AM
To: Brooks, David K., EMNRD
Cc: Mull, Donna, EMNRD
Subject: FW: Endurance Resources LLC - Stratocaster 20 Federal #4H
Attachments: Revised C-102.pdf

Mr. Brooks,

We agree that it should be a 320 acre project area comprising the E/2 of Section 20. Please find attached the revised Form C-102. Please let me know if you need any additional information or if you need me to do anything else. Hope you have a great day!

Thanks,

Jason

Jason South, CPL
Landman
Endurance Resources
Work: (432) 242-4683
Cell: (432) 210-1368

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Thursday, August 15, 2013 3:21 PM
To: Jason South
Subject: Endurance Resources LLC - Stratocaster 20 Federal #4H

Good Afternoon, Mr. South

According to Order R-4539, the spacing in the Bell Lake Devonian is 160-acres, with each unit to constitute a quarter section. Therefore it would seek that to accommodate your proposed horizontal in Units A, H and I of Section 20-23S-34E, you would need to designate a 320-acre project area comprising the entire E/2 of Section 20.

If you concur in this conclusion, please provide a revised Form C-102.

Sincerely

David K. Brooks

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811 S. First St., Artesia, NM 88210
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State of New Mexico
Energy, Minerals & Natural Resources Department
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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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☒ AMENDED REPORT

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¹⁰ Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹¹ Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	23 S	34 E		330	NORTH	660	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

<p>N 89°31'24"E 2641.41 FT</p> <p>NW CORNER SEC. 20 LAT. = 32.2973633°N LONG. = 103.5006501°W NMSP EAST (FT) N = 472912.33 E = 798626.73</p> <p>W Q CORNER SEC. 20 LAT. = 32.2901082°N LONG. = 103.5006368°W NMSP EAST (FT) N = 470272.94 E = 798651.36</p> <p>SW CORNER SEC. 20 LAT. = 32.2828561°N LONG. = 103.5006231°W NMSP EAST (FT) N = 467634.68 E = 798676.05</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83) BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE.</p>		<p>N 89°31'12"E 2640.97 FT</p> <p>N Q CORNER SEC. 20 LAT. = 32.2973670°N LONG. = 103.4921037°W NMSP EAST (FT) N = 472934.80 E = 801267.56</p> <p>NE CORNER SEC. 20 LAT. = 32.2973706°N LONG. = 103.4835587°W NMSP EAST (FT) N = 472956.42 E = 803907.94</p> <p>SE CORNER SEC. 20 LAT. = 32.2828535°N LONG. = 103.4920789°W NMSP EAST (FT) N = 467654.33 E = 801316.62</p>		<p>660'</p> <p>330'</p> <p>BOTTOM OF HOLE</p> <p>BOTTOM OF HOLE LAT. = 32.2964697°N LONG. = 103.4856954°W NMSP EAST (FT) N = 472623.45 E = 803249.97</p> <p>STRATOCASTER "20" FEDERAL #4H ELEV. = 3496.6' LAT. = 32.2882977°N (NAD83) LONG. = 103.4856831°W NMSP EAST (FT) N = 469650.51 E = 803277.59</p> <p>1980'</p> <p>660'</p> <p>1980'</p> <p>589°34'25"W 2641.13 FT</p> <p>589°31'02"W 2639.18 FT</p>		<p>17 OPERATOR 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 location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jason South</i> 8/19/2013 Signature Date Jason South Printed Name jason@enduranceresourcesllc.com E-mail Address</p> <p>18 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.</p> <p>APRIL 25, 2013 Date of Survey</p> <p><i>Filimon F. Jaramillo</i> Signature and Seal of Professional Surveyor Certificate Number: FILIMON F. JARAMILLO, PLS 12797 SURVEY NO. 1796</p>	
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