

DATE 06/20/2013	SUSPENSE 7/15	ENGINEER DB	LOGGED IN 06/21/2013	TYPE NSL	APP NO. PPRG1317234050
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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]**

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

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

Check One Only for [B] or [C]

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

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

[D] Other: Specify _____

[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	See Attachment	Landman	6/20/2013
Print or Type Name	Signature	Title	Date
		jason@enduranceresourcesllc.com	
		e-mail Address	

Endurance Resources
 30-015-37295
 StratoCaster 20 Fed #1H

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) 748-0720
District III
1000 Rio Brazos Road, Artesia, 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 30-025-37295	² Pool Code 5130	³ Pool Name Bell Lake; Bone Spring
⁴ Property Code	⁵ Property Name STRATOCASTER 20 FED	⁶ Well Number 1H
⁷ OGRID No. 270329	⁸ Operator Name ENDURANCE RESOURCES, LLC	⁹ Elevation 3562.5

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
M	20	23 S	34 E		660	SOUTH	660	WEST	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
D	20	23 S	34 E		330	NORTH	660	WEST	LEA

¹² Dedicated Acres	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>N89°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>660'</p> <p>330'</p> <p>BOTTOM OF HOLE</p>			<p>N89°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 = 472934.30 E = 801267.56</p> <p>660'</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>660'</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>660'</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>E Q CORNER SEC. 20 LAT. = 32.2901133°N LONG. = 103.4835498°W NMSP EAST (FT) N = 470316.25 E = 803931.60</p> <p>660'</p>		
<p>2639.99 FT</p> <p>660'</p> <p>330'</p> <p>BOTTOM OF HOLE</p> <p>STRATOCASTER "20" FED #1H ELEV. = 3562.5' LAT. = 32.2844692°N (NAD83) LONG. = 103.4984889°W NMSP EAST (FT) N = 468299.39 E = 799330.50</p>			<p>2640.77 FT</p>			<p>2640.27 FT</p>		
<p>660'</p> <p>0.099'</p> <p>SURFACE LOCATION</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>S Q CORNER SEC. 20 LAT. = 32.2828535°N LONG. = 103.4920789°W NMSP EAST (FT) N = 467654.33 E = 801316.62</p>			<p>SE CORNER SEC. 20 LAT. = 32.2828575°N LONG. = 103.4835411°W NMSP EAST (FT) N = 467676.57 E = 803955.21</p>		
<p>589°34'25"W 2641.13 FT</p>			<p>589°31'02"W 2639.18 FT</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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____


Printed Name _____

E-mail Address _____

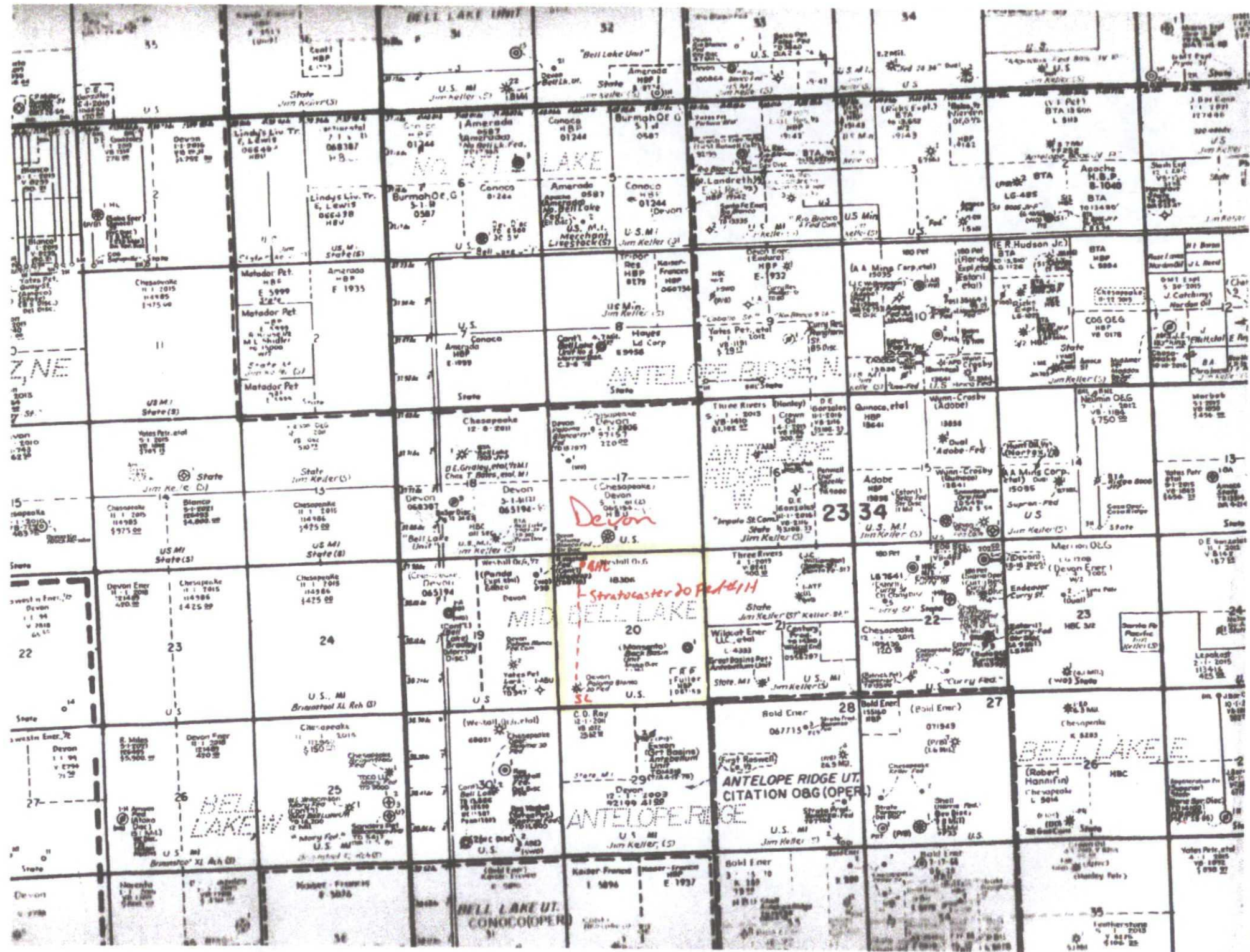
18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APRIL 16, 2013

Date of Survey _____

Signature and Seal of Professional Surveyor: 

Certificate Number: **FILIPON F. JARAMILLO, PLS 12797**
SURVEY NO. 1757A



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBBS OCD
MAY 28 2013

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM 18306
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Endurance Resources LLC

3a. Address
PO Box 1466 Artesia, NM 88211

3b. Phone No. (include area code)
575-308-0722

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 660' FWL; 20-23S-34E

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Paloma 20 Fed 1

9. API Well No.
30-025-37295

10. Field and Pool or Exploratory Area
Bell Lake; Bone Springs

11. County or Parish, State
Lea Co NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other NAME CHANGE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 performed 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 recompleat 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 determined that the site is ready for final inspection.)

Endurance Resources LLC respectfully requests to change the name of the Paloma 20 Fed 1 to the Stratocaster 20 Fed 1H. This well was purchased from Devon Energy on 7/01/11. This name change will follow another sundry to sidetrack the existing Paloma 20-1 horizontally into the Bone Spring formation.

OPER. OGRID NO. 270329
PROPERTY NO. 39925
POOL CODE 5130
EFF. DATE 06/01/2013
API NO. 30-025-37295

SUBJECT TO LIKE
APPROVAL BY STATE

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Kale Jackson

Title Sr Completions Engineer

Date 04/11/2013

KJ MAY 30 2013

Signature

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which 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.

(Instructions on page 2)

APPROVED

Date MAY 22 2013
/s/ Chris Walls

CARLSBAD FIELD OFFICE

MAY 30 2013

Goetze, Phillip, EMNRD

From: Jason South <jason@enduranceresourcesllc.com>
Sent: Tuesday, June 11, 2013 9:35 PM
To: Goetze, Phillip, EMNRD
Cc: Manny Sirgo
Subject: RE: Stratocaster 20 Federal #1H: Application for NSL/NSP
Attachments: Form C-102.pdf; Plat.pdf

Mr. Goetze,

Please find attached the following:

- 1) Form C-102 for the subject well
- 2) Plat showing the section where the Stratocaster 20 Federal #1H well will be located and how the BHL location encroaches upon the S/2 of Section 17 where Devon is the operator

We have plans to drill several horizontal wells this year so I would like to give you a call tomorrow to discuss how you would like to see us present our information going forward. I want to make sure we are giving you all of the information you need/want in the best possible way. Please let us know if you need any additional information for the subject well. Thank you very much for your help and I hope you had a great day.

Thanks again,

Jason

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

From: Manny Sirgo
Sent: Tuesday, June 11, 2013 4:31 PM
To: Jason South
Subject: FW: Stratocaster 20 Federal #1H: Application for NSL/NSP

From: Goetze, Phillip, EMNRD [<mailto:Phillip.Goetze@state.nm.us>]
Sent: Tuesday, June 11, 2013 4:30 PM
To: Manny Sirgo
Subject: Stratocaster 20 Federal #1H: Application for NSL/NSP

Sir:

I have reviewed your application for the Stratocaster (API 30-025-37295) and request you provide the outstanding portion of application information required under the Special Rules for Horizontal Wells (19.15.16.15 NMAC), specifically the C-102 filed with the District office showing the 160-acre project area with SL/BHL. The spacing unit complies with R-

Brooks, David K., EMNRD

From: Jason South <jason@enduranceresourcesllc.com>
Sent: Monday, June 24, 2013 9:51 AM
To: Brooks, David K., EMNRD
Cc: Goetze, Phillip, EMNRD
Subject: RE: Stratocaster 20 Federal #1H - NSL Application
Attachments: Unorthodox Location-Devon.pdf

Mr. Brooks,

Please find attached a letter that we will be sending certified to Devon Energy Production Company, LP. today. Per the information we were provided from our brokers, Devon is operator of both the SW/4 of Section 17 and the SE/4 of Section 18, both sections being located in T23S, R34E, Lea County, NM, which are the lands the bottom-hole location is encroaching upon.

Is there anything else you see that we need to do in order to get the location approved, other than giving Devon the allotted time to object? Also, if we get Devon to sign a waiver saying they are good with the location, can we provide that to you to cut down on the 20 day window? We had an attorney tell us what all we needed to do to get our location approved, but after seeing some of the examples you provided us, we were missing quite a few things. I apologize to both of you on this and I promise that the applications going forward from us will be better.

Please let me know if you need any additional information from me and I hope you both had a great weekend.

Thanks again for all of your help!

Jason

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

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Friday, June 21, 2013 2:57 PM
To: Jason South
Cc: Goetze, Phillip, EMNRD
Subject: Stratocaster 20 Federal #1H - NSL Application

Good Afternoon, Mr. South

In order to complete your non-standard location application for the referenced well, we will need evidence of your having provided notice of this application to the operator or working interest owners in the Bone Spring formation in the NW/4 of Section 29 and the NE/4 of Section 30. Please provide us with a copy of a letter to these persons including an admonition that if they have objections to the proposed well location, they should send those objections to the Division's Santa Fe office within 20 days. If no objection is received within the 20-day period, the application will be granted. Please also provide us with a list of the persons to whom such notices have been sent.



June 24, 2013

Devon Energy Production Company, L.P.
330 West Sheridan Ave.
Oklahoma City, OK 73102
Attn: Cameron Enteshary
Via Certified Mail

Re: Unorthodox Location
Stratocaster 20 Fed 1H (formerly the Paloma Blanco 20 Fed #1)
660' FSL & 660' FWL (SL)-330' FNL & 660' FWL (BHL)
Section 20, T23S, R34E, Lea County, New Mexico

Dear Mr. Enteshary:

Endurance Resources, LLC. ("Endurance"), has plans to do a lateral extension in the Second Bone Spring interval in the above referenced well. The above referenced location is closer to the section line than is prescribed for the Bell Lake Bone Spring Pool (Pool 5130) which provides for locations to be no closer than 660 feet from the section line. Devon Energy Production Company, L.P., as operator of the SW/4 of Section 17 and the SE/4 of Section 18, both sections being located in T23S, R34E, Lea County, NM, may object to Endurance's well location due to the bottom hole location of the above referenced well being too close to the lease line per the rules of the Bell Lake Bone Spring Pool (Pool 5130). Objections must be filed in writing within twenty of receipt at the Division's Santa Fe office. 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 or need any additional information, please do not hesitate to contact the undersigned at (432) 210-1368.

Sincerely yours,
Endurance Resources, LLC.

Jason South, CPL
Landman

203 WEST WALL, SUITE 1000 MIDLAND, TEXAS 79701
PHONE: 432-242-4680 WWW.ENDURANCERESOURCESLLC.COM