



30-025-41449

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ENDURANCE RESOURCES LLC

MULTIPOINT SURFACE USE AND OPERATIONS PLAN

NOCASTER 19 FED #4H

SHL: 330' FSL & 660' FEL

BHL: 330' FNL & 660' FEL

SEC 19-23S-34E

LEA COUNTY, NM

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above mentioned well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of surface disturbance involved and the procedures to be followed in rehabilitating the surface after the completion of operations, so that a complete appraisal can be made of the environment effect associated with these operations.

Directions:

From the intersection of State Highway 128 and CR 21 (Delaware Basin) go north on CR 21 approx. 5.1 miles. Go southeast on caliche road approx. 0.5 of a mile to the Telecaster 30 Fed 4H location. Proposed location is approx. 660' north.

1. Existing Roads:

- The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102, page 1. This well was staked by Madron Surveying Inc. from Carlsbad, NM.
- Page 4 of the C-102 packet contains is a Vicinity map showing the well and roads in the vicinity of the proposed location. The proposed well site and the access route is labeled in orange & blue. The proposed well site and the access route to location are indicated on the Site map (page 2) of C-102 packet. ROW using this existing route is being requested if necessary.
- Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Planned Access Road:

- Endurance Resources LLC will be using the existing access road that runs through the proposed Telecaster 30-4H location (15' wide) to the Stratocaster 20 Fed 1H (formally Paloma Blanco 20

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Fed #1) location. A 308' access road from the NE corner of the Telecaster 30-4H pad to the SE corner of the Nocaster 19-4H planned wellsite is being requested for ROW.

- This planned access road will have a maximum width of 14 feet of driving surface. The road will be crowned & ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 3ft wide with 3:1 slopes. The driving surface will be made of 6" rolled & compacted caliche.
- This existing road will be rebladed & caliche will be placed into existing holes which will be watered and compacted to prevent surface erosion. The average grade will be approx. 1%. Surface material will be of native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location.
- No cattle guards, gates, or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

- A one mile radius map shows all existing/proposed wells within a one-mile radius of the proposed location. See attached radius plat for more details.

4. Location of Existing and/or Proposed Facilities:

- This location will require "cut & fill" from the south to the north. Well site will be constructed by way of a 350'x420' pad. Topsoil pile will be placed on the north side of location. V-door will be facing east. Endurance Resources LLC will berm the north & west side of location per Trish Badbear's request.
- In the event this well is found productive, a tank battery will be constructed with (4) 500 bbl oil tanks, (2) 500 bbl water tanks, a separator, a heater treater, a free water knockout, and a gas sales meter on this site. Necessary production equipment is subject to change once offsetting horizontal production is analyzed. Tank battery equipment will be placed on the east side of location, while treating facility equipment will be placed on the north side of location. Note: a distance of 100' is required between fired vessels and any combustibles for safety purposes. This battery will potential handle one more additional horizontal wells if area is successful.
- All flow lines will adhere to API standards. Working on ROW for gas takeaway at battery site.
- Power will be supplied by way of existing electrical line running from CR-21 along the existing road into the Stratocaster 20 Fed 1H (formally Paloma Blanco 20 Fed #1) location. This is an Endurance owned power line. Endurance Resources' is requesting ROW from the east side of the proposed Telecaster 30-4H location following the proposed access road to the Nocaster 19-4H location for electrical hookup. A strip of land 30' wide in Sec 30 will go 397.83' into Sec 19. Once in Sec 19, a strip of land 30' wide will go 375.58' to the Nocaster 19-4H location. See attached plat labeled "An electrical line to connect the Nocaster 19 Fed 4H" for more information. ROW for this power line is being requested.

5. Location and Types of Water Supply:

- This location will be drilled using a combination of water mud systems (outlined in the Drilling program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using existing roads. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drilling rig. In these cases where a poly line is



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used to transport water for drilling or completion purposes, the existing and proposed road into location will be utilized.

6. Construction Materials:

- All caliche utilized for the drilling pad and access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. If deposits are found underneath the proposed location, topsoil will be pushed back from the drill site & existing caliche will be ripped and compacted. Then topsoil will be stockpiled on location as depicted on the rig layout. All roads will be constructed of 6" rolled and compacted caliche. Will use BLM recommended use of extra caliche from other locations close by for roads, if available.

7. Methods of Handling Waste Material:

- All trash, junk, & other material will be removed from the well site within 30 days after finishing drilling/completion operations. All waste material will be contained in trash bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.
- The supplier, including broken sacks, will pick up slats remaining after completion of the well.
- A porto-john will be utilized for handling all gray water/waste material. The equipment will be properly maintained during the drilling and completion operations, and will be removed when all operations are completed. Contents will be removed and disposed of in an approved sanitary landfill. Sewage from living quarters will drain into holding tanks & be cleaned out periodically and hauled to a waste disposal facility.
- Drill cuttings will be separated by a series of solids removal equipment and stored in steel containment pits and then hauled to a state approved disposal facility.
- Drilling fluids will be contained in steel pits in a closed loop circulating system. Fluids will be cleaned and reused. Water produced during testing will be contained in the steel pits & disposed of at a state approved disposal facility. Any oil or condensate produced will be stored in test tanks until sold & hauled from site.

8. Ancillary Facilities:

- No campsites or other facilities will be constructed as a result of this well.

9. Wellsite Layout:

- Attached is the proposed well site layout with dimensions of the pad layout & topsoil pile.
- Mud pits in the active circulating system will be steel pits and a closed loop system will be utilized. Endurance Resources LLC will comply with the NMOCD requirements 19.15.17 and submit a form C-144 to the appropriate NMOCD district office.
- This location will require "cut & fill" from the north to the south. Well site will be constructed by way of a 350'x420' pad. Topsoil pile will be placed on the north side of location. V-door will be facing east. Endurance Resources LLC will berm the north & west side of location per Trish Badbear's request.



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- If the well is a producer, those areas of the location not essential to production facilities will be reclaimed & seeded per BLM requirements.

10. Plans for Surface Reclamation:

- After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations or roads. The road will be reclaimed as directed by the BLM. The well site will be properly contoured, as close as possible, to the original topography. Topsoil from the spoil pile will be placed over the distributed area. Revegetation procedures will comply with BLM standards.
- The location and road will be rehabilitated as recommended by the BLM.
- If the well is deemed commercially productive, caliche from areas of the drill pad not required for *safe* operations, will be removed. These unused areas of the drill pad will be contoured as close as possible to match the original topography. The original topsoil will be returned to the area of the drilling pad not necessary to operate the well. These areas will then be seeded per BLM requirements.
- See attached site reclamation diagram for more details.

11. Surface Ownership:

- The surface is owned by the BLM and is administered by the BLM. The surface is multiple use with primary uses of the region for the grazing of livestock, as well as oil & gas production. Endurance Resources has had onsite with private surface owner and is fully aware of the operations planned in this area. An agreement has been put in place with private surface owner.

12. Other Information:

- The area surrounding the well site is made up of grassland & mesquite trees. The topsoil is packed soils and caliches. No wildlife was observed, but free range cattle, deer, dove/quail, & small rodents are likely to traverse the area.
- There is no permanent or live water in the general proximity of this location.
- There are no dwellings within 1 mile of this location.



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Operators Representative:

Endurance Resources LLC representatives responsible for ensuring compliance of the surface use plan are listed below.

Kale Jackson

Sr Completions Engineer

Endurance Resources LLC

11382 Lovington Highway

Artesia, NM 88211

575.914.3355

Manny Sirgo

VP Operations

Endurance Resources LLC

203 W. Wall St, Suite 1212

Midland, TX 79701

432.413.0085

Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

7/5/13

Date

Kale Jackson

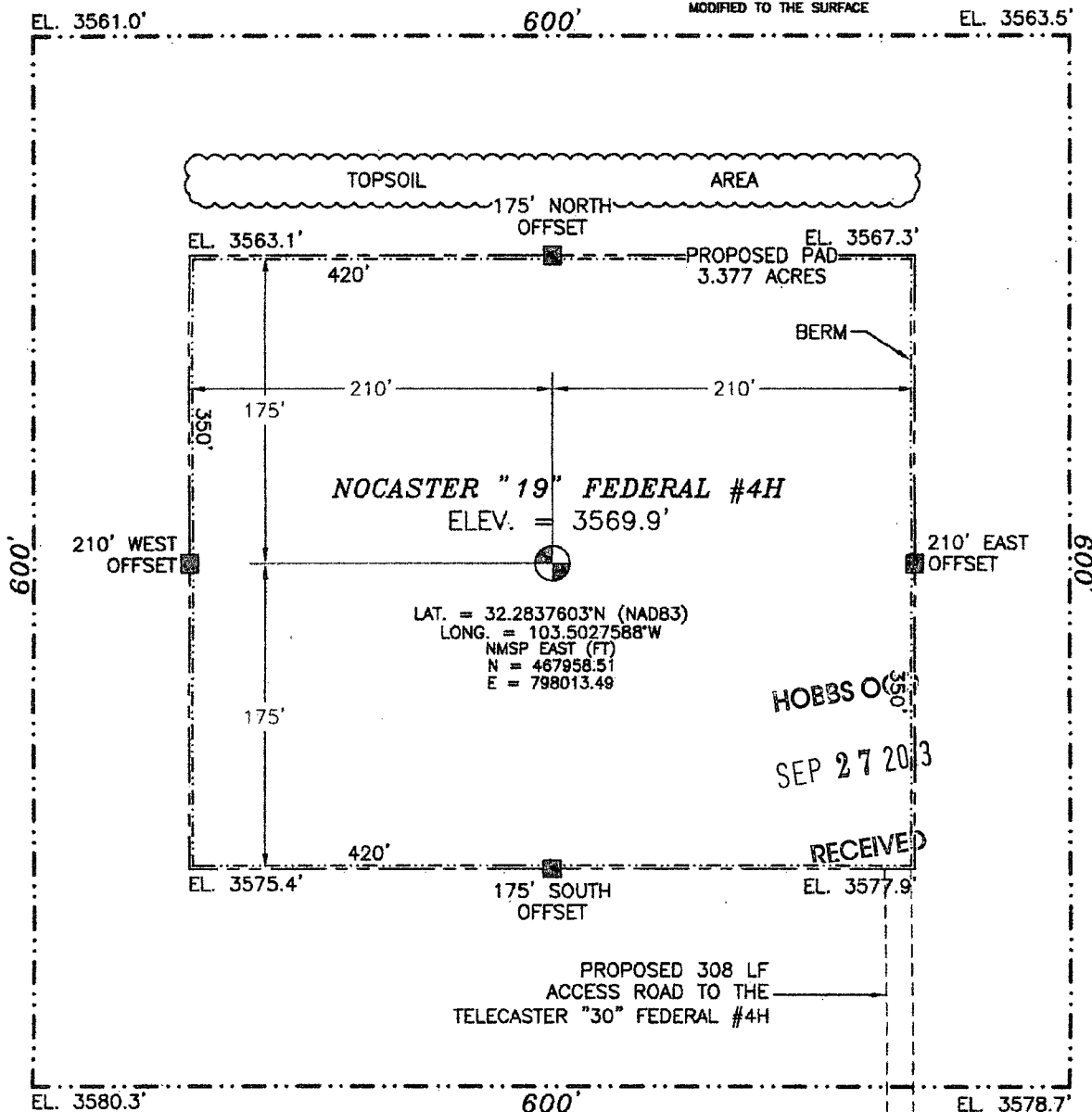
Sr Completions Engineer

Endurance Resources LLC

kale@enduranceresourcesllc.com

SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
SITE MAP

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



010 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HIGHWAY 128 AND CR 21 (DELAWARE BASIN) GO NORTH ON CR 21 FOR APPROX. 5.1 MILES. TURN SOUTHEAST ON CALICHE LEASE ROAD (SOUTH OF TOWER) AND GO APPROX. 0.5 MILES TO THE TELECASTER "30" FEDERAL #4H LOCATION. LOCATION IS APPROX. 660' NORTH.

SEC. 19
SEC. 30

ENDURANCE RESOURCES, LLC
NOCASTER "19" FEDERAL #4H
LOCATED 330 FT. FROM THE SOUTH LINE
AND 660 FT. FROM THE EAST LINE OF
SECTION 19, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

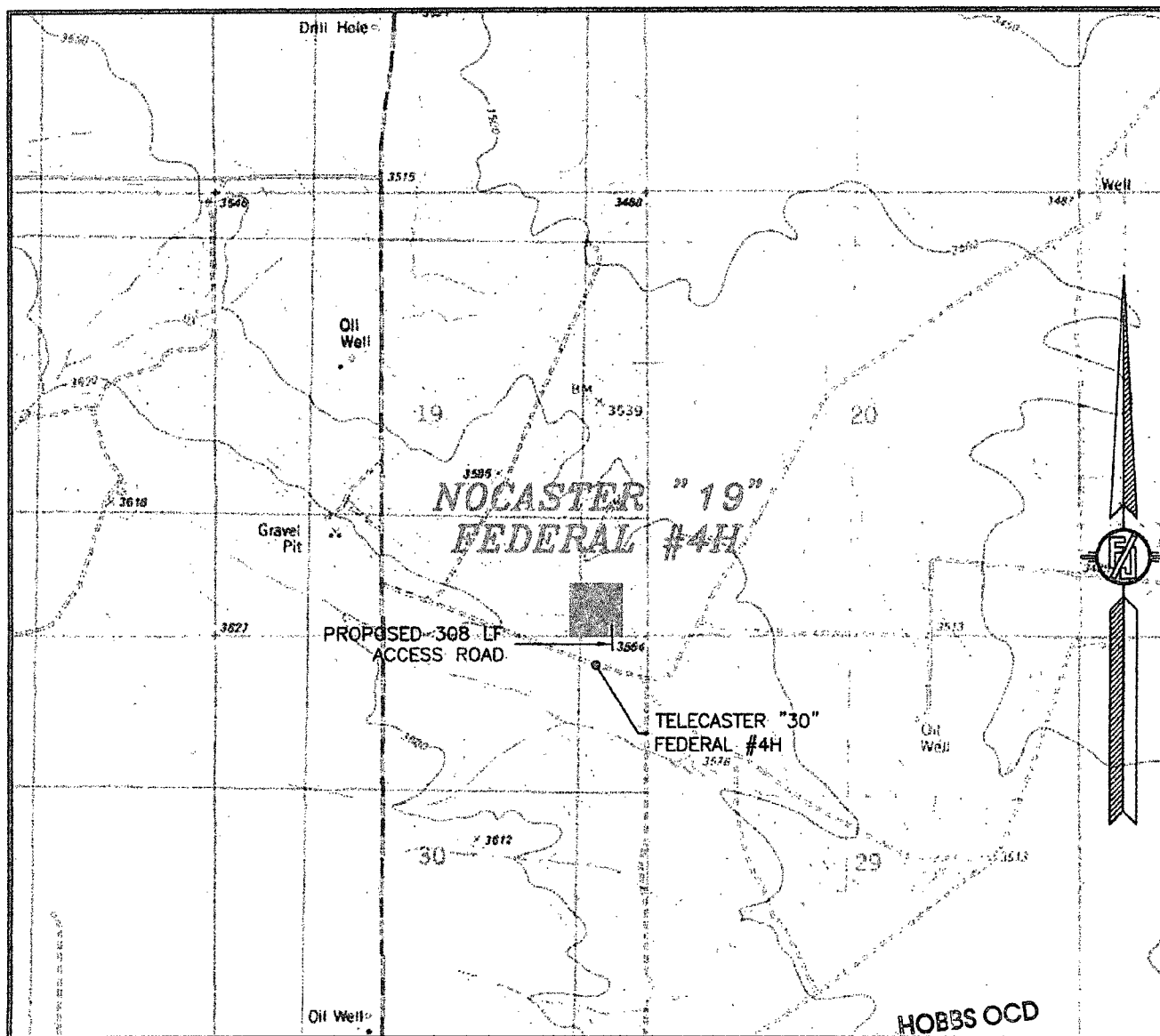
JUNE 18, 2013

SURVEY NO. 1920

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341

CARLSBAD, NEW MEXICO

SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
TIP TOP WELLS

NOT TO SCALE

SEP 27 2013

ENDURANCE RESOURCES, LLC
NOCASTER "19" FEDERAL #4H
LOCATED 330 FT. FROM THE SOUTH LINE
AND 660 FT. FROM THE EAST LINE OF
SECTION 19, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

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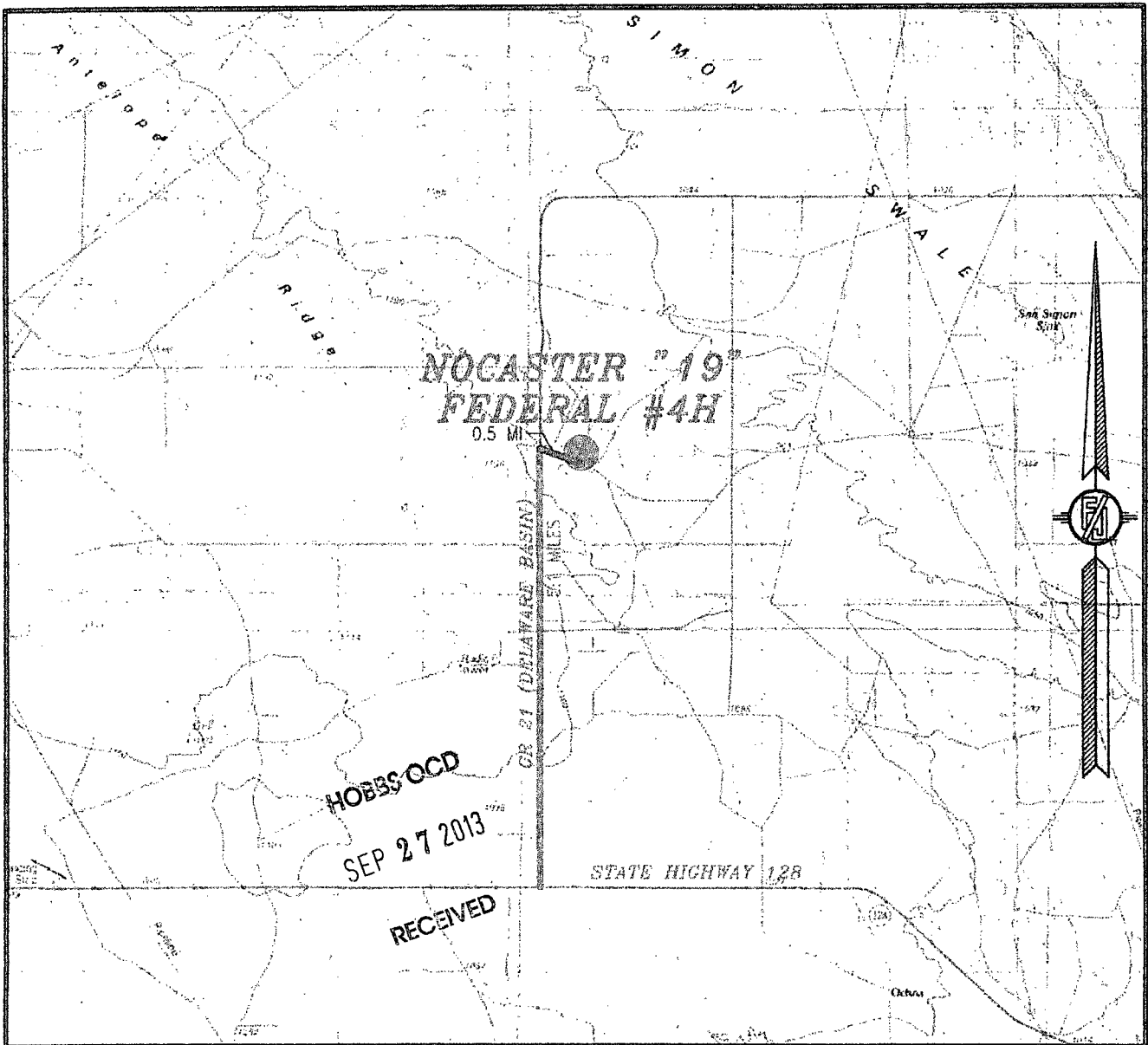
JUNE 18, 2013

MADRON SURVEYING, INC.

301 SOUTH CANAL
(575) 234-3341

CARLSBAD, NEW MEXICO

SURVEY NO. 1920



NOT TO SCALE

**ENDURANCE RESOURCES, LLC
NOCASTER "19" FEDERAL #4H
LOCATED 330 FT. FROM THE SOUTH LINE
AND 660 FT. FROM THE EAST LINE OF
SECTION 19, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO**

DIRECTIONS TO LOCATION

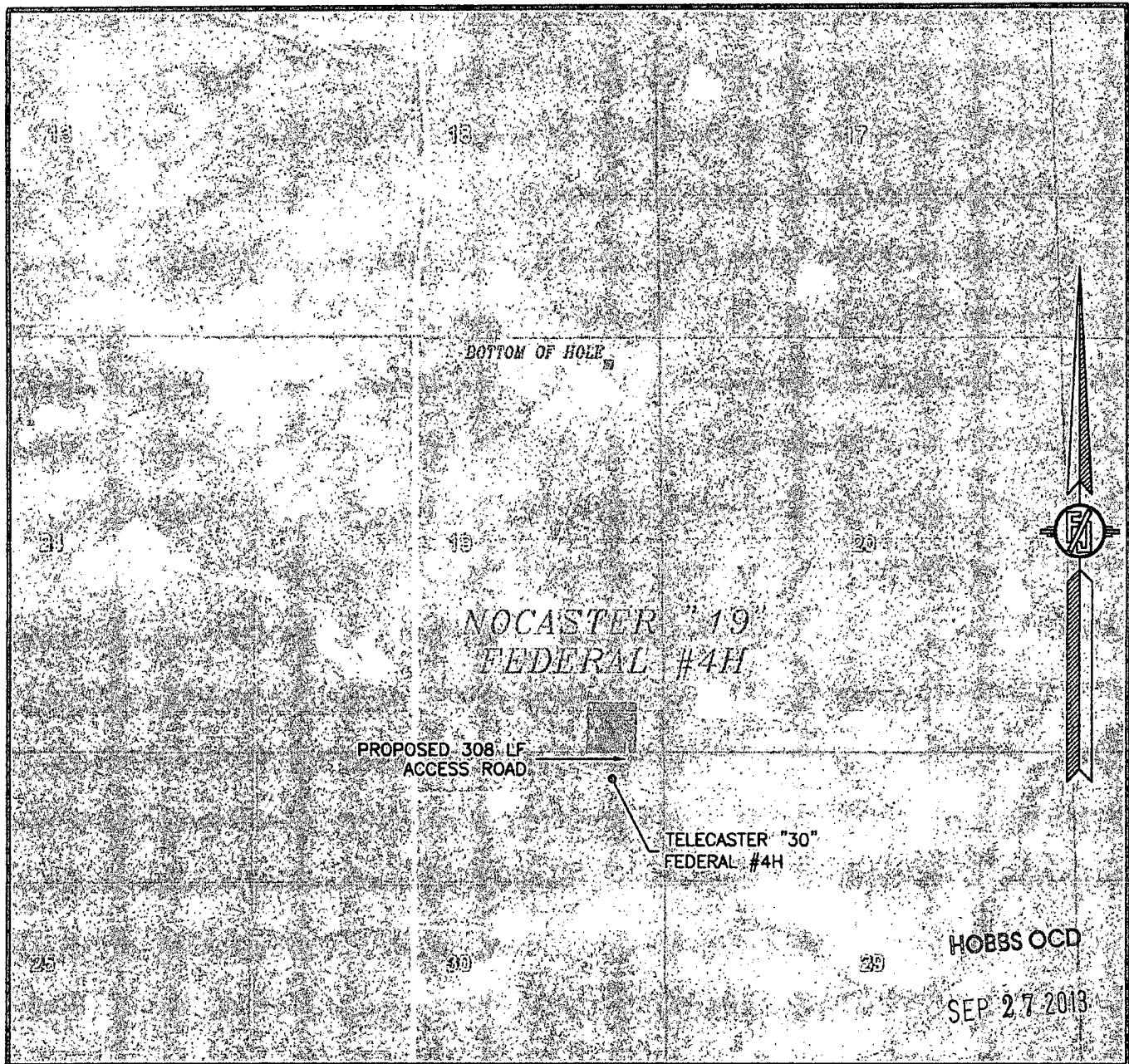
FROM THE INTERSECTION OF STATE HIGHWAY 128 AND CR 21 (DELAWARE BASIN) GO NORTH ON CR 21 FOR APPROX. 5.1 MILES. TURN SOUTHEAST ON CALICHE LEASE ROAD (SOUTH OF TOWER) AND GO APPROX. 0.5 MILES TO THE TELECASTER "30" FEDERAL #44 LOCATION. LOCATION IS APPROX. 660' NORTH.

JUNE 18, 2013

SURVEY NO. 1920

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 *CARLSBAD, NEW MEXICO*

SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MARCH 2012

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ENDURANCE RESOURCES, LLC
NOCASTER "19" FEDERAL #4H
LOCATED 330 FT. FROM THE SOUTH LINE
AND 660 FT. FROM THE EAST LINE OF
SECTION 19, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

JUNE 18, 2013

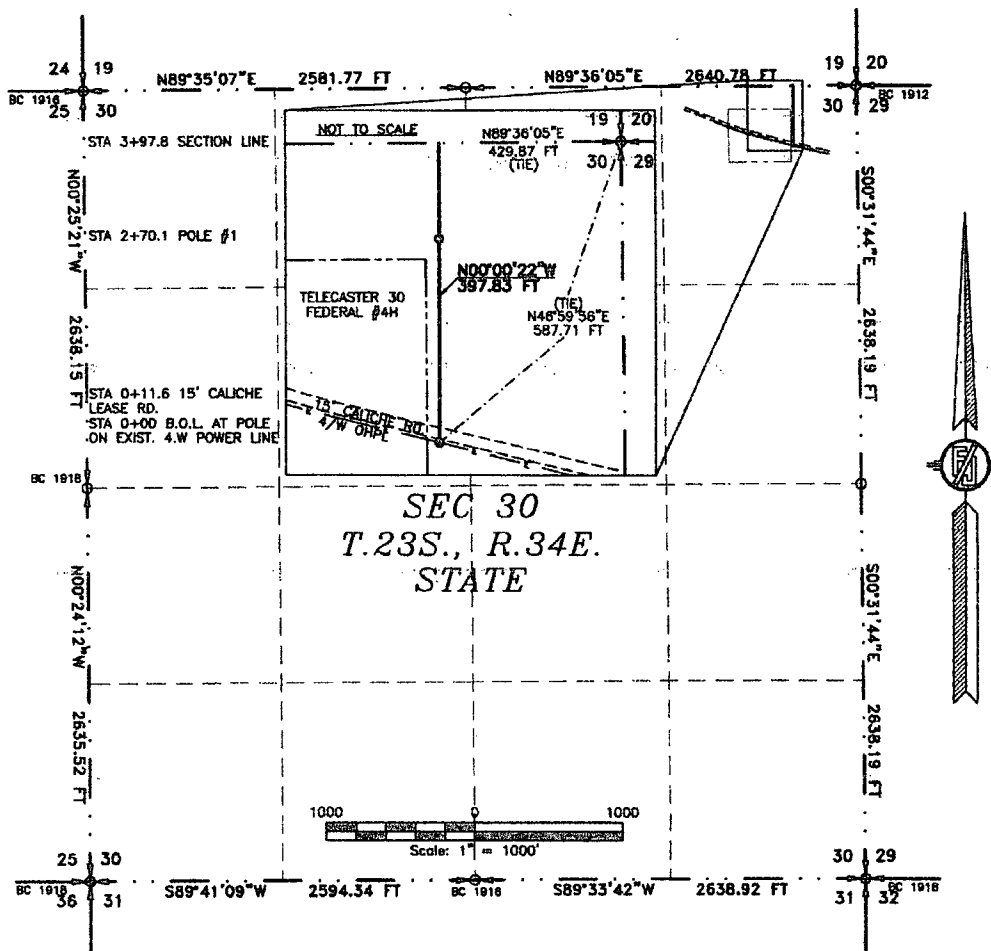
SURVEY NO. 1920

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

AN ELECTRIC LINE TO CONNECT THE NOCASTER 19 FEDERAL #4H

ENDURANCE RESOURCES, LLC

CENTERLINE SURVEY OF AN ELECTRIC LINE CROSSING
SECTION 30, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
JUNE 26, 2013



DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING STATE OF NEW MEXICO LAND IN SECTION 30, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NE/4 NE/4 OF SAID SECTION 30, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE NORTHEAST CORNER OF SAID SECTION 30, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N46°59'56"E, A DISTANCE OF 587.71 FEET;
THENCE N00°00'22"W A DISTANCE OF 397.83 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTHEAST CORNER OF SAID SECTION 30, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N89°36'05"E, A DISTANCE OF 429.87 FEET;

SAID STRIP OF LAND BEING 397.83 FEET OR 24.11 RODS IN LENGTH, CONTAINING 0.274 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NE/4 NE/4 397.83 L.F. 24.11 RODS 0.274 ACRES

GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 2 DAY OF JULY 2013

Filmon F. Jaramillo
FILMON F. JARAMILLO PLS. 12797
301 SOUTH CANAL
(575) 234-3341

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

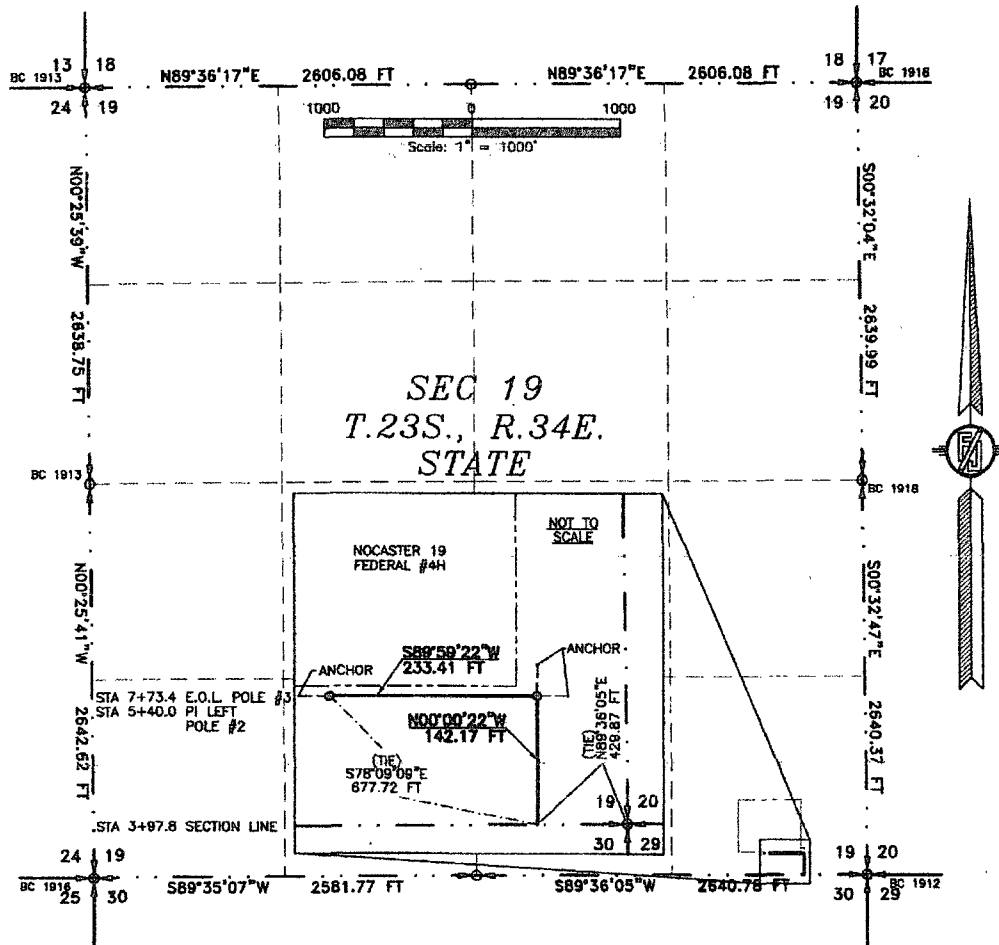
SURVEY NO. 2003

SHEET: 1-4

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

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AN ELECTRIC LINE TO CONNECT THE NOCASTER 19 FEDERAL #4H
ENDURANCE RESOURCES, LLC
 CENTERLINE SURVEY OF AN ELECTRIC LINE CROSSING
 SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
 LEA COUNTY, STATE OF NEW MEXICO
 JUNE 26, 2013



DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING STATE OF NEW MEXICO LAND IN SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE SOUTHEAST CORNER OF SAID SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N89°36'05\"E, A DISTANCE OF 429.87 FEET;
 THENCE N00°00'22\"W A DISTANCE OF 142.17 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
 THENCE S89°59'22\"W A DISTANCE OF 233.41 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHEAST CORNER OF SAID SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S78°09'09\"E, A DISTANCE OF 677.72 FEET;

SAID STRIP OF LAND BEING 375.58 FEET OR 22.76 RODS IN LENGTH, CONTAINING 0.259 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SE/4 375.58 L.F. 22.76 RODS 0.259 ACRES

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SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 2 DAY OF JULY 2013

MADRON SURVEYING, INC.
 301 SOUTH CANAL
 CARLSBAD, NEW MEXICO 88220
 Phone (575) 234-3341

FILMON F. JARAMILLO PLS., 12797
 SURVEY NO. 2003
 CARLSBAD, NEW MEXICO

GENERAL NOTES

1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

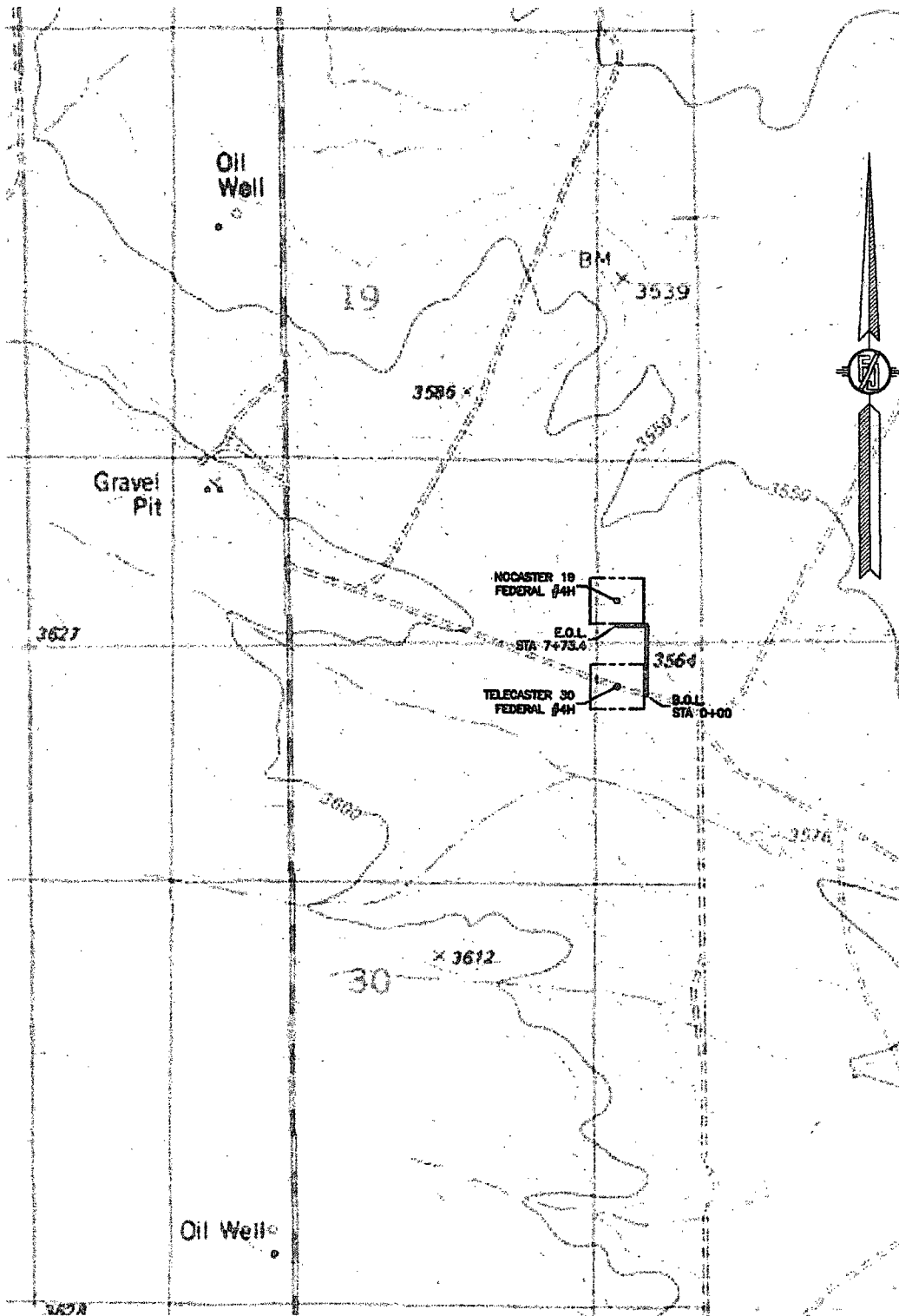
2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.

SHEET: 2-4

MADRON SURVEYING, INC.

AN ELECTRIC LINE TO CONNECT THE NOCASTER 19 FEDERAL #4H

ENDURANCE RESOURCES, LLC
CENTERLINE SURVEY OF AN ELECTRIC LINE CROSSING
SECTIONS 30 & 29, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
JUNE 26, 2013



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SHEET: 3-4

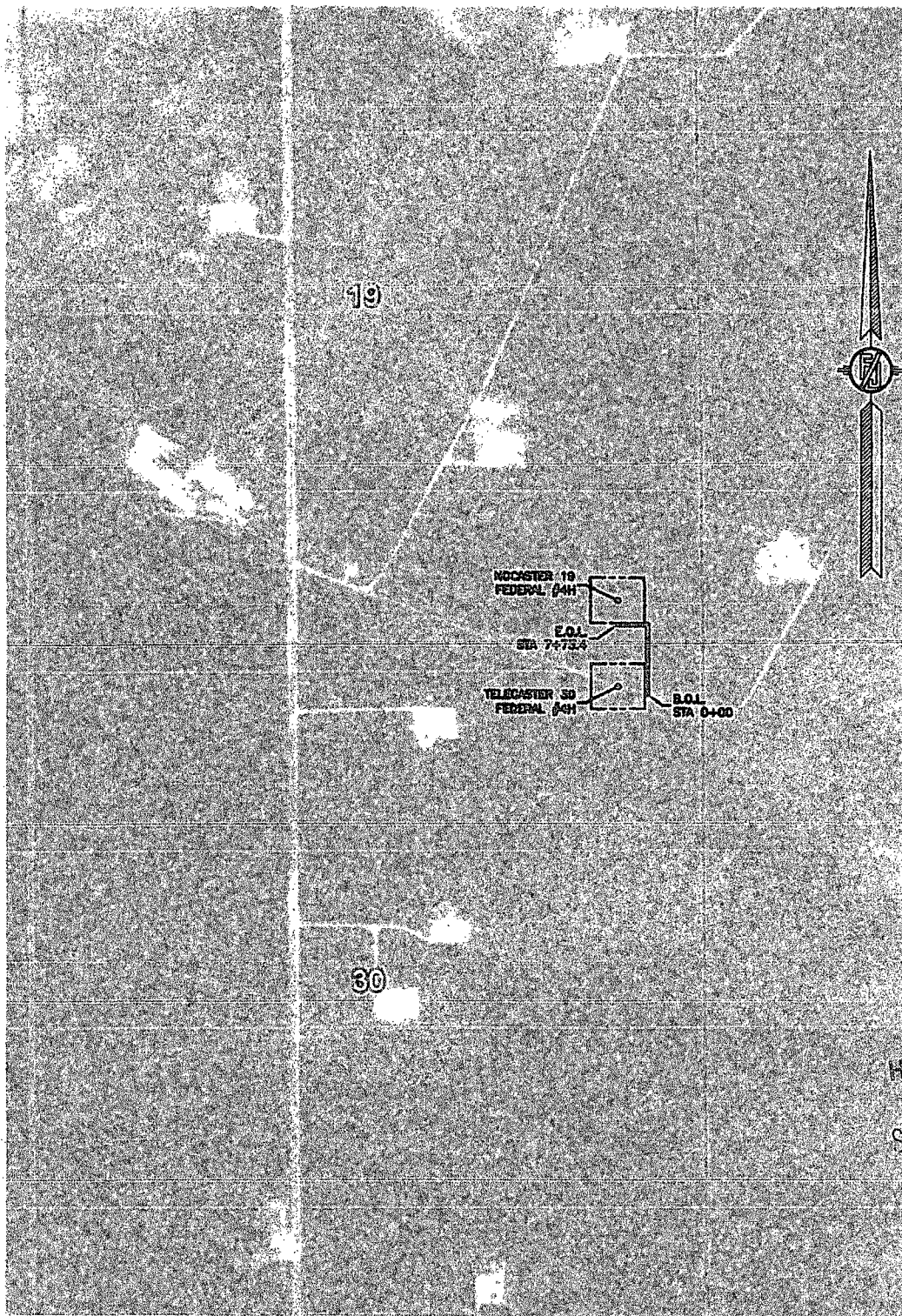
MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SURVEY NO. 2003

AN ELECTRIC LINE TO CONNECT THE NOCASTER 19 FEDERAL #4H

ENDURANCE RESOURCES, LLC

CENTERLINE SURVEY OF AN ELECTRIC LINE CROSSING
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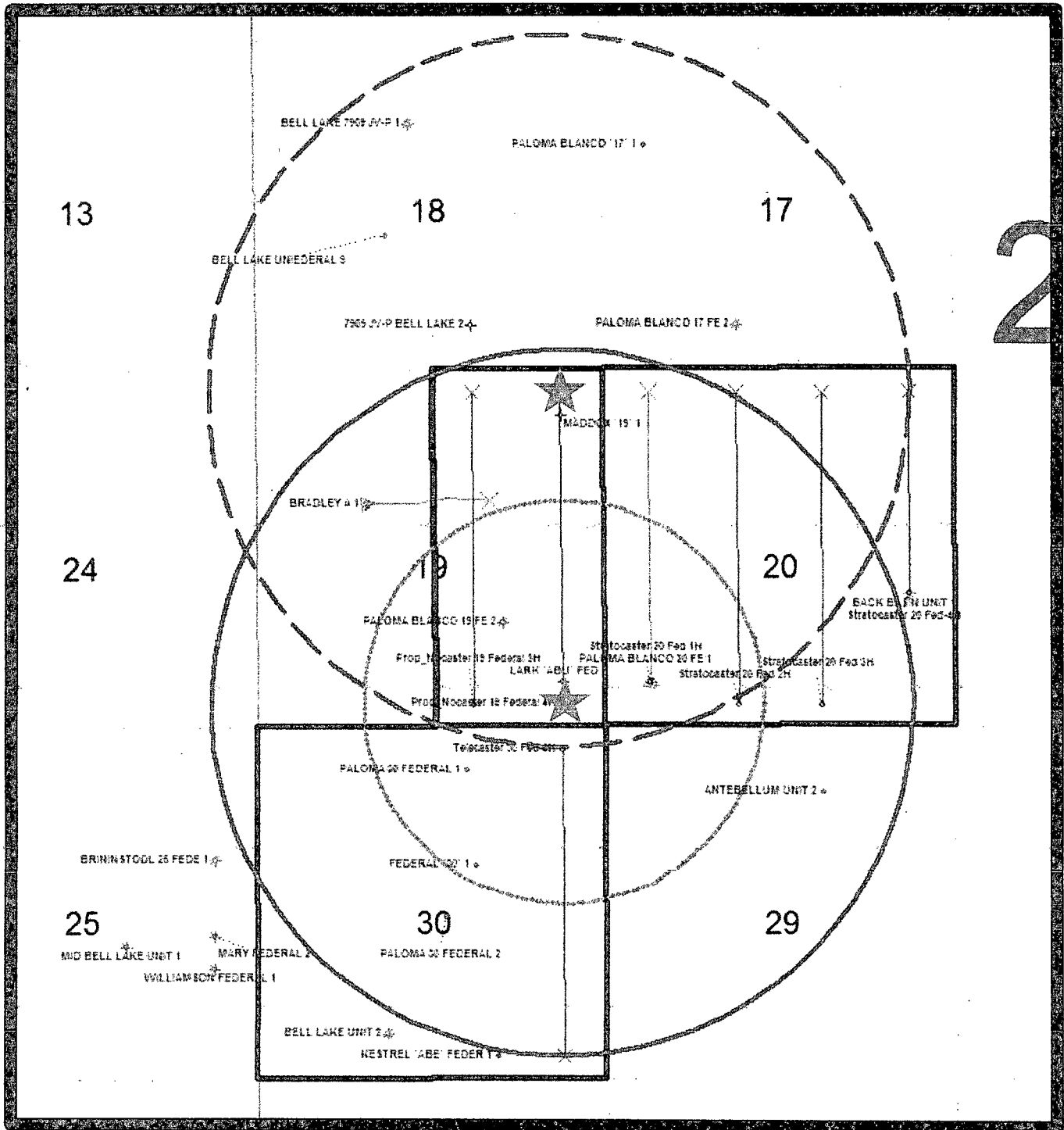
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SHEET: 4-4

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO

SURVEY NO. 2003

Nocaster 19 Federal 4H



Surface Location

Bottom Hole Location

H2S 3000' Radius

Surface 5280' Radius

Bottom Hole 5280' Radius

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