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OCD Hobbs
OCD Artesia

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

14-846

OCD Hobbs

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMMN112942	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator CHEVRON U.S.A. INC. (4323)		7. If Unit or CA Agreement, Name and No.	
3a. Address 15 SMITH ROAD, MIDLAND, TEXAS 79705		8. Lease Name and Well No. (915884) MOONLIGHT BUTTRESS 26 FED #1H	
3b. Phone No. (include area code) 432-687-7375 HOBBS OCD WC-015 G-08 52535340; BS		9. API Well No. 30-025-42969	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 90' FSL, & 660' FWL At proposed prod. zone 330' FNL, & 660' FWL NOV 30 2015		10. Field and Pool, or Exploratory (97088) 11. Sec., T. R. M. or Blk. and Survey or Area SHL: SEC 26, T-25S, R-35E, UL: M BHL: SEC 26, T-25S, R-35E, UL: D	
14. Distance in miles and direction from nearest town or post office* 7 MILES WEST FROM JAL, NEW MEXICO		12. County or Parish LEA COUNTY	
15. Distance from proposed* 90' FSL location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		13. State NM	
16. No. of acres in lease 680		17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location* to nearest well, drilling, completed, 4030' HARPER FED #1 applied for, on this lease, ft.		20. BLM/BIA Bond No. on file CA0329	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3187.6 GL		22. Approximate date work will start*	
		23. Estimated duration	
24. Attachments			

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Denise Pinkerton</i>	Name (Printed/Typed) DENISE PINKERTON	Date 09/03/2014
Title REGULATORY SPECIALIST		
Approved by (Signature) <i>Steve Caffey</i>	Name (Printed/Typed) STEVE CAFFEY	Date NOV 19 2015
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

KZ
11/30/15

Approval Subject to General Requirements
& Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

DEC 01 2015

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV 30 2015

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM112942
2. Name of Operator ENDURANCE RESOURCES LLC		6. If Indian, Allottee or Tribe Name
Contact: PEGGY REDMAN E-Mail: peggy@enduranceresourcesllc.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 203 WEST WALL STREET SUITE 1000 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-242-4680	8. Well Name and No. MOONLIGHT BUTTRESS 26 FED 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T25S R35E 90FSL 660FWL		9. API Well No.
		10. Field and Pool, or Exploratory WILDCAT; BONE SPRING
		11. County or Parish, and State LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CHANGE OF OPERATOR

This is notification of Change of Operator on the above reference well.

Endurance Resources LLC, as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described.

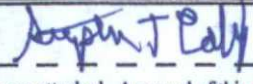
Bond Coverage: BLM Bond File No. NMB001220

Change of Operator Effective Date: November 25, 2014

Former Operator: Chevron U.S.A. Inc.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #295251 verified by the BLM Well Information System For ENDURANCE RESOURCES LLC, sent to the Hobbs	
Name (Printed/Typed) MANNY SIRGO III	Title ENGINEER
Signature (Electronic Submission)	Date 03/17/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title FOM FIELD MANAGER	Date 3/11/15
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.		Office CARLSBAD FIELD OFFICE

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

1. FORMATION TOPS

The estimated tops of important geologic markers are as follows:

FORMATION	SUB-SEA	KBTVD	MD
Rustler	2326	885	
Magenta Dolomite	2279	932	
Salado	2024	1187	
Castile	-226	3437	
Lamar	-1990	5201	
Bell Canyon	-2044	5255	
Cherry Canyon	-2918	6129	
Brushy Canyon	-4427	7638	
Bone Spring Limestone	-5717	8928	
1st Bone Spring	-7028	10239	
2nd Bone Spring	-7647	10858	
3rd Bone Spring	-8656	11867	
Pilot TD	-9163	12323	12323
Lateral TD (2nd Bone Spring)	(9,012)	12,223	16875

2. ESTIMATED DEPTH OF WATER, OIL, GAS & OTHER MINERAL BEARING FORMATIONS

The estimated depths at which the top and bottom of the anticipated water, oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Deepest Expected Base of Fresh Water		932
Water	Rustler	885
Water	Bell Canyon	5255
Water	Cherry Canyon	7638
Oil/Gas	Brushy Canyon	7638
Oil/Gas	Bone Spring Limestone	8928
Oil/Gas	1st Bone Spring	10239
Oil/Gas	2nd Bone Spring	10858
Oil/Gas	3rd Bone Spring	11867

All shows of fresh water and minerals will be reported and protected.

3. BOP EQUIPMENT

Will have a minimum of a 5000 psi rig stack (see proposed schematic) for drill out below surface casing. Stack will be tested as specified in the attached testing requirements. Chevron requests a variance to use A coflex hose with a metal protective covering that will be utilized between the BOP and Choke manifold. Please see the attached testing and certification information.

Chevron requests a variance to use a GE/Vetco SH-2 Multibowl wellhead, which will be run through the rig floor on surface casing. BOPE will be nipped up and test after cementing surface casing. Subsequent tests will be performed as needed, not to exceed 30 days. The field report from GE/Vetco and BOP test information will be provided in a subsequent report at the end of the well. Please see the attached wellhead schematic. An installation manual has been placed on file with the BLM office and remains unchanged from previous submittal.

HOBBS OCD

NOV 30 2015

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See COA

See COA

4. CASING PROGRAM

a. The proposed casing program will be as follows:

Purpose	From	To	Hole Size	Csg Size	Weight	Grade	Thread	Condition
Surface	0'	1,120'	17-1/2"	13-3/8"	54.5 #	J-55	STC	New
Intermediate	0'	8,990'	12-1/4"	9-5/8"	43.5 #	HCP-110	LTC	New
Production	0'	16,651'	8-1/2"	5-1/2"	17.0 #	HCP-110	CDC	New

b. Casing design subject to revision based on geologic conditions encountered.

c. ***A "Worst Case" casing design for wells in a particular area is used below to calculate the Casing Safety Factors. If for any reason the casing design for a particular well requires setting casing deeper than the following "worst case" design, then the Casing Safety Factors will be recalculated & sent to the BLM prior to drilling.

d. Chevron will fill casing at a minimum of every 20 jts (840') while running for intermediate and production casing in order to maintain collapse SF.

SF Calculations based on the following "Worst Case" casing design.

Surface Casing: 1500'

Intermediate Casing: 9100'

Production Casing: 16800' MD/12300' TVD (5000' VS @ 90 deg inc)

Casing String	Min SF Burst	Min SF Collapse	Min SF Tension
Surface	1.2	1.2	1.6
Deep Intermediate	1.2	1.2	1.6
Production	1.2	1.2	1.6

Min SF is the smallest of a group of safety factors that include the following considerations:

	Surf	Int	Prod
Burst Design			
Pressure Test- Surface, Int, Prod Csg P external: Water P internal: Test psi + next section heaviest mud in csg	X	X	X
Displace to Gas- Surf Csg P external: Water P internal: Dry Gas from Next Csg Point	X		
Frac at Shoe, Gas to Surf- Int Csg P external: Water P internal: Dry Gas, 15 ppg Frac Gradient		X	
Stimulation (Frac) Pressures- Prod Csg P external: Water P internal: Max inj pressure w/ heaviest injected fluid			X
Tubing leak- Prod Csg (packer at KOP) P external: Water P internal: Leak just below surf, 8.7 ppg packer fluid			X
Collapse Design			
Full Evacuation P external: Water gradient in cement, mud above TOC P internal: none	X	X	X
Cementing- Surf, Int, Prod Csg P external: Wet cement P internal: water	X	X	X
Tension Design			
100k lb overpull	X	X	X

5. CEMENTING PROGRAM

Slurry	Type	Top	Bottom	Weight	Yield	%Excess	Sacks	Water
Surface				(ppg)	(sx/cu ft)	Open Hole		gal/sk
Lead	C + 4% Gel+2%CaCl	0'	820'	13.5	1.75	150	766	9.18
Tail	Class C+2%CaCl	820'	1,120'	14.8	1.36	150	441	6.39
Intermediate								
1st Stage Lead	50% Class H+ 50% Silicalite +2% Gel	5,180'	8,390'	11.3	2.54	30	515	15.51
1st Stage Tail	Class C	8,390'	8,990'	14.8	1.33	30	213	6.57
2nd Stage Lead	65C/35Poz +6%Gel +5%Salt	0'	4,880'	12.9	1.87	100	1485	9.87
2nd Stage Tail	Class C	4,880'	5,180'	14.8	1.33	100	141	6.57
Production								
1st Lead	50% Class H+ 50% Silicalite +2% Gel	4,680'	11,241'	11.3	2.54	75	798	15.07
2nd Lead	Versacem (Halliburton)	11,241'	15,875'	13.2	1.61	75	1158	8.10
Tail	Acid Soluble Cement	15,875'	16,875'	15	2.6	35	92	11.2

1. Final cement volumes will be determined by fluid caliper.
2. Surface casing shall have at least one centralizer installed on each of the bottom three joints starting with the shoe joint.
3. Production casing will have one horizontal type centralizer on every joint for the first 1000' from TD, then every other joint to EOB, and then every third joint to KOP. Bowspring type centralizers will be run from KOP to intermediate casing.
4. Intermediate cement job will be performed in 2 stages with a DV tool with at ~5180. An ECP will be placed below the DV tool and inflated before pumping the 2nd stage

Pilot Hole Plugging Plan:

The 8-1/2" pilot hole will TD at the base of the 3rd bone spring sand at ~12,323' (exact depth of Pilot TD will depend on geologic tops encountered while drilling). An open hole cemented whipstock will be utilized with 2-7/8" tail pipe. The tail 2-7/8" tail pipe will be cemented in place from the Pilot hole TD of 12,323' MD/TVD to the whipstock/KOP at 11741' MD/TVD (KOP subject to change after evaluating Pilot Hole logs).

Plug	Slurry	Type	Top	Bottom	Weight	Yield	%Excess	Sacks	Mix Water
					(ppg)	(sx/cu ft)	Open Hole		Gal/Sk
Pilot Hole Plug	Plug Cement	Class H	11,640'	12,323'	17.2	0.97	35	410	3.61

6. MUD PROGRAM

From	To	Type	Weight	F. Vis	Filtrate
0'	1,120'	Spud Mud	8.3 - 8.7	32 - 34	NC - NC
1,120'	3,437'	Brine	9.5 - 10.1	28 - 29	NC - NC
3,437'	8,990'	Sprayberry Mud	8.9 - 9.3	3 - 9	5 - 7
8,990'	11,741'	FW/Cut Brine	8.3 - 9.5	28 - 29	NC - NC
11,741'	12,323'	Weighted Polymer	9.5 - 11.0	28 - 29	15 - 25
11,741'	12,495'	Weighted Polymer	9.5 - 11.0	28 - 30	15 - 25
12,495'	16,875'	Weighted Polymer	9.5 - 11.0	28 - 29	15 - 25

Pilot Hole

After drilling through the salt section in the 12.25" hole with a saturated Brine, the mud system will be changed to a Sprayberry type mud to allow for decreased mud weights without excessive salt washout.

All fluids and cuttings will be disposed of in accordance with New Mexico Oil Conservation Division rules and regulations.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

Visual mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume. When abnormal pressures are anticipated -- a pit volume totalizer (PVT), stroke counter, and flow sensor will be used to detect volume changes indicating loss or gain of circulating fluid volume.

A weighting agent and lost circulating material (LCM) will be onsite to mitigate pressure or lost circulation as hole conditions dictate.

7. TESTING, LOGGING, AND CORING

The anticipated type and amount of testing, logging, and coring are as follows:

- Drill stem tests are not planned.
- The logging program will be as follows:

TYPE	Logs	Interval	Timing	Vendor
Mudlogs	2 man mudlog	Int Csg to TD	Drillout of Int Csg	TBD
LWD	MWD Gamma	Curve and Lateral	While Drilling	TBD
-	-	-	-	-
Wireline	Quad Combo	Pilot TD - Surface	After Pilot TD	TBD
Wireline	Sidewall Cores	Pilot Hole, TBD	After Pilot TD	TBD
-	-	-	-	-

- Approximately 50 rotary sidewall cores will be taken in the pilot hole
- A Directional Survey will be run.

8. ABNORMAL PRESSURES AND HYDROGEN SULFIDE

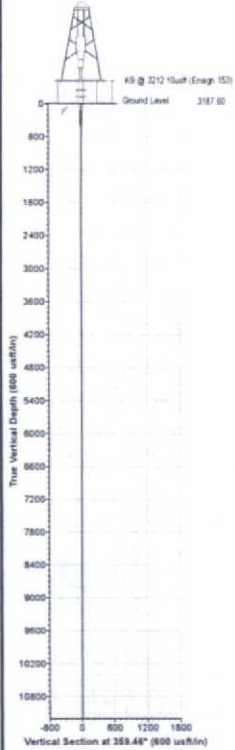
- Increased pressure is expected in the base of the 3rd Bone Spring sand. No abnormal temperatures are expected. Estimated BHP is: 6992 psi
- Hydrogen sulfide gas is not anticipated. An H2S Contingency plan is attached with this APD in the event that H2S is encountered



Project: Lea County NM (NAD83 NME)
Site: Moonlight Butress 26 Federal
Well: #1H
Wellbore: WB1
Design: Plan #2 09-02-14
Rig: Ensign 153



Compass rose showing True North (T), Magnetic North (M), and Grid North (G).
Azimuths to Grid North:
True North: 0.53°
Magnetic North: 6.55°
Magnetic Field Strength: 48241.5 nT
Dip Angle: 60.02°
Date: 08/02/2014
Model: IGRF2010_14



WELL DETAILS						
WGS	WGS	North	Ground Level	Latitude	Longitude	
0.00	0.00	39045.177	3187.60	32° 5' 39.5200 N	103° 20' 41.02500 W	

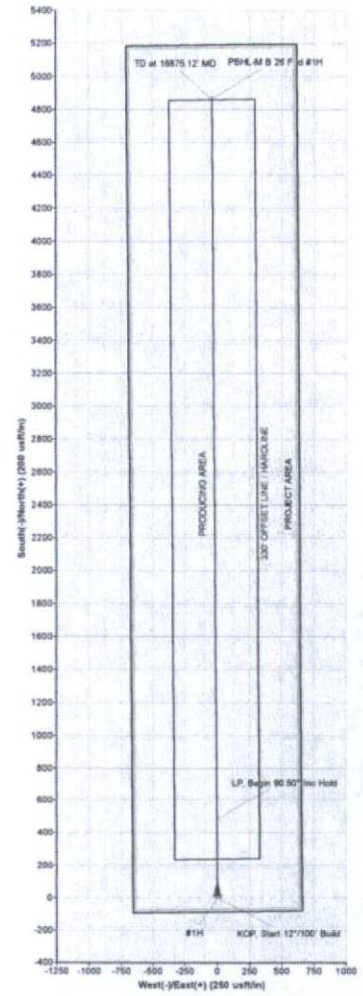
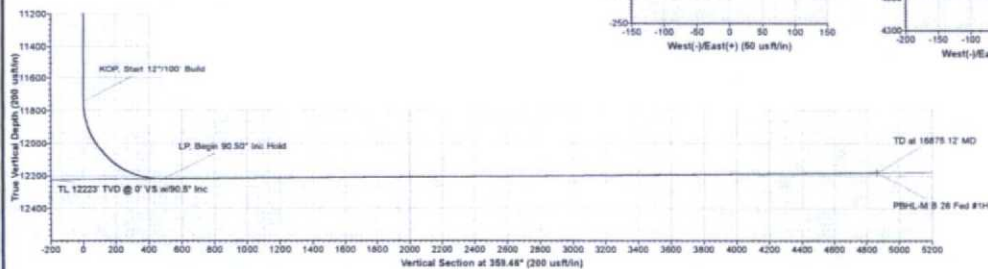
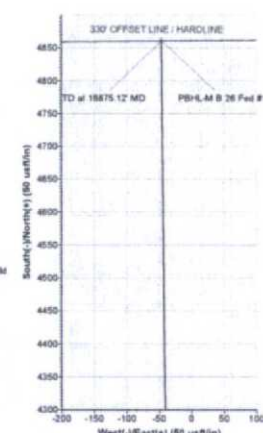
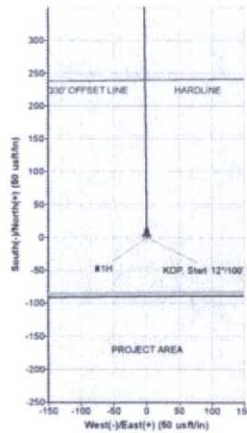
SECTION DETAILS									
Sec	MD	Inc	Az	TVD	WGS	WGS	Depth	Target	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP Start 12"100' Build
2	1174.137	0.05	8.00	1174.137	0.00	0.00	0.00	0.00	LP Begin 90.50° Inc Hold
3	12495.54	90.50	259.48	12223.72	481.61	4.57	12.00	359.48	TD at 18875.12 MD
4	18875.12	90.50	259.48	12223.72	481.61	4.57	12.00	359.48	TD at 18875.12 MD

DESIGN TARGET DETAILS						
Name	TVD	WGS	WGS	Depth	Latitude	Longitude
TD at 18875.12 MD	12223.72	481.61	4.57	12.00	359.48	TD at 18875.12 MD

LEGEND
Plan #2 09-02-14

Map System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone Name: New Mexico Eastern Zone
Local Origin: Well #1H, Grid North
Latitude: 32° 5' 39.5200 N
Longitude: 103° 20' 41.02500 W
Grid East: 39045.177
Grid North: 39045.177
Scale Factor: 1.000
Geomagnetic Model: IGRF2010_14
Sample Date: 02-Sep-14
Magnetic Declination: 7.02°
Dip Angle from Horizontal: 60.02°
Magnetic Field Strength: 48242
To convert a Magnetic Direction to a Grid Direction, Add 6.55°
To convert a Magnetic Direction to a True Direction, Subtract 0.53°

FORMATION TOP DETAILS
TVD (ft): 12223.72
Depth (ft): 12223.72
WGS (ft): 481.61
WGS (ft): 4.57
Depth (ft): 12.00
WGS (ft): 359.48



Created By: J. P. P. Date: 12/08/2014



Chevron

Lea County NM (NAD83 NME)
Moonlight Buttress 26 Federal
#1H

WB1

Plan: Plan #2 09-02-14

Standard Planning Report

02 September, 2014





Phoenix Technology Services Planning Report



Database:	GCR DB	Local Co-ordinate Reference:	Well #1H
Company:	Chevron	TVD Reference:	KB @ 3212.10usft (Ensign 153)
Project:	Lea County NM (NAD83 NME)	MD Reference:	KB @ 3212.10usft (Ensign 153)
Site:	Moonlight Buttress 26 Federal	North Reference:	Grid
Well:	#1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB1		
Design:	Plan #2 09-02-14		

Project	Lea County NM (NAD83 NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Moonlight Buttress 26 Federal		
Site Position:		Northing:	399,451.76 usft
From:	Lat/Long	Easting:	847,485.72 usft
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "
		Latitude:	32° 5' 39.53200 N
		Longitude:	103° 20' 41.02300 W
		Grid Convergence:	0.53 "

Well	#1H		
Well Position	+N/-S	0.00 usft	Northing: 399,451.76 usft
	+E/-W	0.00 usft	Easting: 847,485.72 usft
Position Uncertainty	0.00 usft	Wellhead Elevation:	Ground Level: 3,187.60 usft

Wellbore	WB1		
Magnetics	Model Name	Sample Date	Declination (°)
	IGRF2010_14	09/02/14	7.07
			Dip Angle (°)
			60.02
			Field Strength (nT)
			48,242

Design	Plan #2 09-02-14		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)
	0.00	0.00	0.00
			Direction (°)
			359.46

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
11,741.37	0.00	0.00	11,741.37	0.00	0.00	0.00	0.00	0.00	0.00	
12,495.54	90.50	359.46	12,218.82	481.61	-4.57	12.00	12.00	0.00	359.46	
16,875.12	90.50	359.46	12,180.60	4,860.83	-46.12	0.00	0.00	0.00	0.00	PBHL-M B 26 Fed #1



Phoenix Technology Services Planning Report



Database:	GCR DB	Local Co-ordinate Reference:	Well #1H
Company:	Chevron	TVD Reference:	KB @ 3212.10usft (Ensign 153)
Project:	Lea County NM (NAD83 NME)	MD Reference:	KB @ 3212.10usft (Ensign 153)
Site:	Moonlight Butress 26 Federal	North Reference:	Grid
Well:	#1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB1		
Design:	Plan #2 09-02-14		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11,741.37	0.00	0.00	11,741.37	0.00	0.00	0.00	0.00	0.00	0.00
KOP, Start 12°/100' Build									
11,800.00	7.04	359.46	11,799.85	3.59	-0.03	3.59	12.00	12.00	0.00
11,900.00	19.04	359.46	11,897.10	26.11	-0.25	26.11	12.00	12.00	0.00
12,000.00	31.04	359.46	11,987.54	68.35	-0.65	68.35	12.00	12.00	0.00
12,100.00	43.04	359.46	12,067.22	128.46	-1.22	128.47	12.00	12.00	0.00
12,200.00	55.04	359.46	12,132.66	203.83	-1.93	203.84	12.00	12.00	0.00
12,300.00	67.04	359.46	12,181.00	291.16	-2.76	291.18	12.00	12.00	0.00
12,400.00	79.04	359.46	12,210.12	386.63	-3.67	386.65	12.00	12.00	0.00
12,490.99	89.95	359.46	12,218.84	477.06	-4.53	477.08	12.00	12.00	0.00
TL 12223' TVD @ 0° VS w/90.5° Inc									
12,495.54	90.50	359.46	12,218.82	481.61	-4.57	481.63	12.00	12.00	0.00
LP, Begin 90.50° Inc Hold									
12,500.00	90.50	359.46	12,218.78	486.07	-4.61	486.09	0.00	0.00	0.00
12,600.00	90.50	359.46	12,217.91	586.06	-5.56	586.09	0.00	0.00	0.00
12,700.00	90.50	359.46	12,217.03	686.05	-6.51	686.09	0.00	0.00	0.00
12,800.00	90.50	359.46	12,216.16	786.05	-7.46	786.08	0.00	0.00	0.00
12,900.00	90.50	359.46	12,215.29	886.04	-8.41	886.08	0.00	0.00	0.00
13,000.00	90.50	359.46	12,214.42	986.03	-9.36	986.07	0.00	0.00	0.00
13,100.00	90.50	359.46	12,213.54	1,086.02	-10.30	1,086.07	0.00	0.00	0.00
13,200.00	90.50	359.46	12,212.67	1,186.01	-11.25	1,186.07	0.00	0.00	0.00
13,300.00	90.50	359.46	12,211.80	1,286.00	-12.20	1,286.06	0.00	0.00	0.00
13,400.00	90.50	359.46	12,210.93	1,386.00	-13.15	1,386.06	0.00	0.00	0.00
13,500.00	90.50	359.46	12,210.05	1,485.99	-14.10	1,486.05	0.00	0.00	0.00
13,600.00	90.50	359.46	12,209.18	1,585.98	-15.05	1,586.05	0.00	0.00	0.00
13,700.00	90.50	359.46	12,208.31	1,685.97	-16.00	1,686.05	0.00	0.00	0.00
13,800.00	90.50	359.46	12,207.44	1,785.96	-16.95	1,786.04	0.00	0.00	0.00
13,900.00	90.50	359.46	12,206.56	1,885.95	-17.90	1,886.04	0.00	0.00	0.00
14,000.00	90.50	359.46	12,205.69	1,985.95	-18.84	1,986.04	0.00	0.00	0.00
14,100.00	90.50	359.46	12,204.82	2,085.94	-19.79	2,086.03	0.00	0.00	0.00
14,200.00	90.50	359.46	12,203.94	2,185.93	-20.74	2,186.03	0.00	0.00	0.00
14,300.00	90.50	359.46	12,203.07	2,285.92	-21.69	2,286.02	0.00	0.00	0.00
14,400.00	90.50	359.46	12,202.20	2,385.91	-22.64	2,386.02	0.00	0.00	0.00
14,500.00	90.50	359.46	12,201.33	2,485.90	-23.59	2,486.02	0.00	0.00	0.00
14,600.00	90.50	359.46	12,200.45	2,585.90	-24.54	2,586.01	0.00	0.00	0.00
14,700.00	90.50	359.46	12,199.58	2,685.89	-25.49	2,686.01	0.00	0.00	0.00
14,800.00	90.50	359.46	12,198.71	2,785.88	-26.43	2,786.01	0.00	0.00	0.00
14,900.00	90.50	359.46	12,197.84	2,885.87	-27.38	2,886.00	0.00	0.00	0.00
15,000.00	90.50	359.46	12,196.96	2,985.86	-28.33	2,986.00	0.00	0.00	0.00
15,100.00	90.50	359.46	12,196.09	3,085.85	-29.28	3,085.99	0.00	0.00	0.00
15,200.00	90.50	359.46	12,195.22	3,185.85	-30.23	3,185.99	0.00	0.00	0.00
15,300.00	90.50	359.46	12,194.35	3,285.84	-31.18	3,285.99	0.00	0.00	0.00
15,400.00	90.50	359.46	12,193.47	3,385.83	-32.13	3,385.98	0.00	0.00	0.00
15,500.00	90.50	359.46	12,192.60	3,485.82	-33.08	3,485.98	0.00	0.00	0.00
15,600.00	90.50	359.46	12,191.73	3,585.81	-34.02	3,585.97	0.00	0.00	0.00
15,700.00	90.50	359.46	12,190.85	3,685.80	-34.97	3,685.97	0.00	0.00	0.00
15,800.00	90.50	359.46	12,189.98	3,785.80	-35.92	3,785.97	0.00	0.00	0.00
15,900.00	90.50	359.46	12,189.11	3,885.79	-36.87	3,885.96	0.00	0.00	0.00
16,000.00	90.50	359.46	12,188.24	3,985.78	-37.82	3,985.96	0.00	0.00	0.00
16,100.00	90.50	359.46	12,187.36	4,085.77	-38.77	4,085.96	0.00	0.00	0.00
16,200.00	90.50	359.46	12,186.49	4,185.76	-39.72	4,185.95	0.00	0.00	0.00
16,300.00	90.50	359.46	12,185.62	4,285.76	-40.67	4,285.95	0.00	0.00	0.00



Phoenix Technology Services Planning Report



Database:	GCR DB	Local Co-ordinate Reference:	Well #1H
Company:	Chevron	TVD Reference:	KB @ 3212.10usft (Ensign 153)
Project:	Lea County NM (NAD83 NME)	MD Reference:	KB @ 3212.10usft (Ensign 153)
Site:	Moonlight Buttress 26 Federal	North Reference:	Grid
Well:	#1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB1		
Design:	Plan #2 09-02-14		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
16,400.00	90.50	359.46	12,184.75	4,385.75	-41.61	4,385.94	0.00	0.00	0.00
16,500.00	90.50	359.46	12,183.87	4,485.74	-42.56	4,485.94	0.00	0.00	0.00
16,600.00	90.50	359.46	12,183.00	4,585.73	-43.51	4,585.94	0.00	0.00	0.00
16,700.00	90.50	359.46	12,182.13	4,685.72	-44.46	4,685.93	0.00	0.00	0.00
16,800.00	90.50	359.46	12,181.26	4,785.71	-45.41	4,785.93	0.00	0.00	0.00
16,875.12	90.50	359.46	12,180.60	4,860.83	-46.12	4,861.05	0.00	0.00	0.00
TD at 16875.12' MD - PBHL-M B 26 Fed #1H									

Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
- hit/miss target									
- Shape									
PBHL-M B 26 Fed #1H	0.00	0.08	12,180.60	4,860.83	-46.12	404,312.59	847,439.59	32° 6' 27.63300 N	103° 20' 41.04100 W
- plan hits target center									
- Point									

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
12,490.99	12,218.84	TL 12223' TVD @ 0° VS w/90.5° Inc		-0.50	359.49

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
11,741.37	11,741.37	0.00	0.00	KOP, Start 12°/100' Build
12,495.54	12,218.82	481.61	-4.57	LP, Begin 90.50° Inc Hold
16,875.12	12,180.60	4,860.83	-46.12	TD at 16875.12' MD

BLOWOUT PREVENTOR SCHEMATIC

Minimum Requirements

OPERATION : Intermediate and Production Hole Sections

Minimum System
Pressure Rating : 5,000 psi

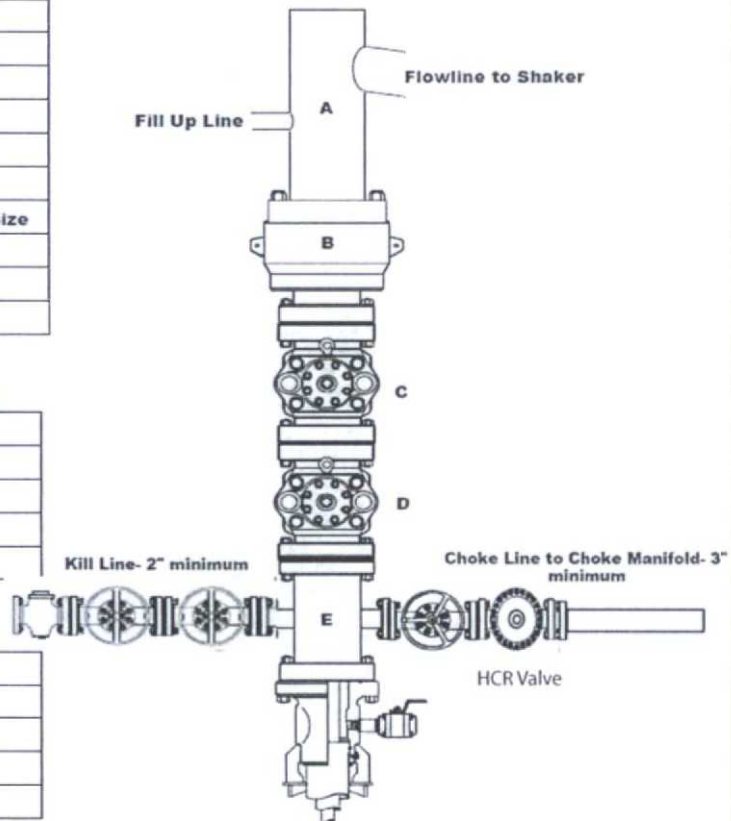
	SIZE	PRESSURE	DESCRIPTION
A		N/A	Bell Nipple
B	13 5/8"	5,000 psi	Annular
C	13 5/8"	5,000 psi	Pipe Ram
D	13 5/8"	5,000 psi	Blind Ram
E	13 5/8"	5,000 psi	Mud Cross
F			
DSA	As required for each hole size		
C-Sec			
B-Sec	13-5/8" 5K x 11" 5K		
A-Sec	13-3/8" SOW x 13-5/8" 5K		

Kill Line

	SIZE	PRESSURE	DESCRIPTION
	2"	5,000 psi	Gate Valve
	2"	5,000 psi	Gate Valve
	2"	5,000 psi	Check Valve

Choke Line

	SIZE	PRESSURE	DESCRIPTION
	3"	5,000 psi	Gate Valve
	3"	5,000 psi	HCR Valve



Installation Checklist

The following item must be verified and checked off prior to pressure testing of BOP equipment.

- ☐ The installed BOP equipment meets at least the minimum requirements (rating, type, size, configuration) as shown on this schematic. Components may be substituted for equivalent equipment rated to higher pressures. Additional components may be put into place as long as they meet or exceed the minimum pressure rating of the system.
- ☐ All valves on the kill line and choke line will be full opening and will allow straight through flow.
- ☐ The kill line and choke line will be straight unless turns use tee blocks or are targeted with running tress, and will be anchored to prevent whip and reduce vibration.
- ☐ Manual (hand wheels) or automatic locking devices will be installed on all ram preventers. Hand wheels will also be installed on all manual valves on the choke line and kill line.
- ☐ A valve will be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve will remain open unless accumulator is inoperative.
- ☐ Upper kelly cock valve with handle will be available on rig floor along with safety valve and subs to fit all drill string connections in use.

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

Representative: _____

Date: _____

CHOKE MANIFOLD SCHEMATIC

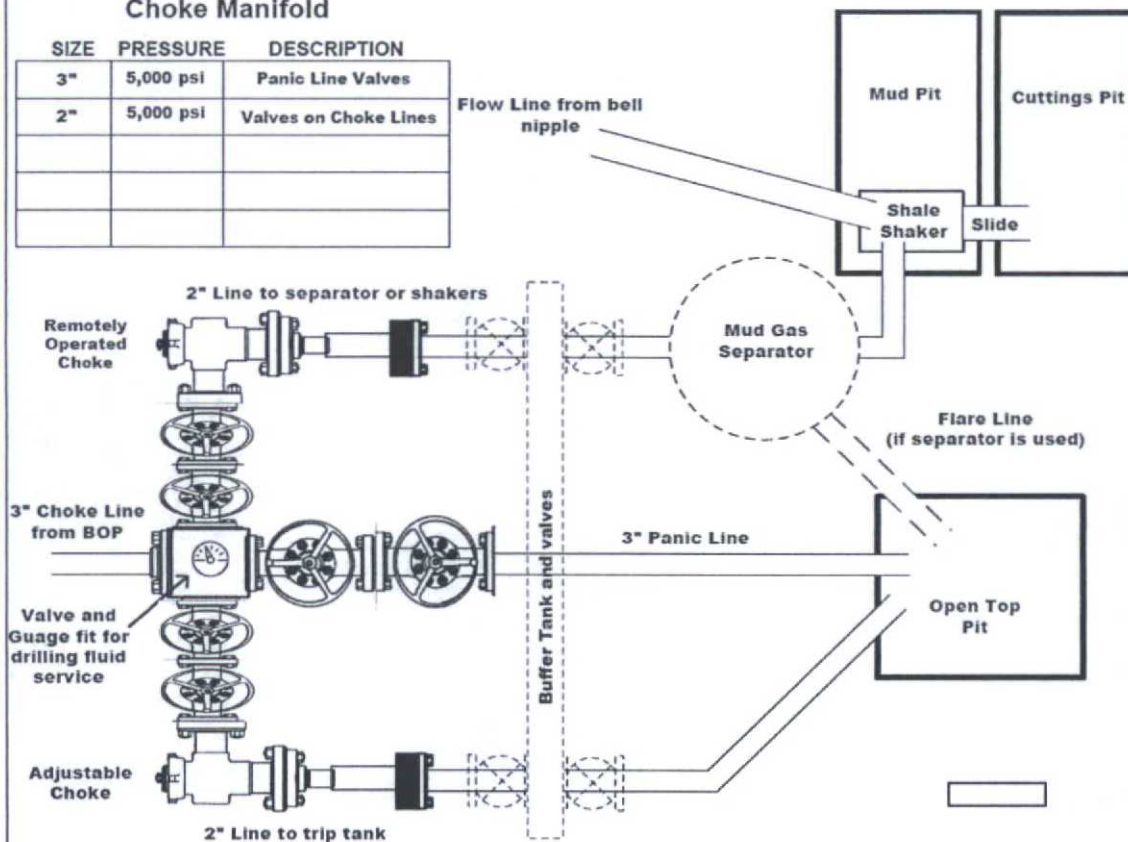
Minimum Requirements

OPERATION : Intermediate and Production Hole Sections

Minimum System : 5,000 psi
Pressure Rating : 5,000 psi

Choke Manifold

SIZE	PRESSURE	DESCRIPTION
3"	5,000 psi	Panic Line Valves
2"	5,000 psi	Valves on Choke Lines



Installation Checklist

The following item must be verified and checked off prior to pressure testing of BOP equipment.

- ☐ The installed BOP equipment meets at least the minimum requirements (rating, type, size, configuration) as shown on this schematic. Components may be substituted for equivalent equipment rated to higher pressures. Additional components may be put into place as long as they meet or exceed the minimum pressure rating of the system.
- ☐ Adjustable Chokes may be Remotely Operated but will have backup hand pump for hydraulic actuation in case of loss of rig air pressure or power.
- ☐ Flare and Panic lines will terminate a minimum of 150' from the wellhead. These lines will terminate at a location as per approved APD.
- ☐ The choke line, kill line, and choke manifold lines will be straight unless turns use tee blocks or are targeted with running tress, and will be anchored to prevent whip and reduce vibration. This excludes the line between mud gas separator and shale shaker.
- ☐ All valves (except chokes) on choke line, kill line, and choke manifold will be full opening and will allow straight through flow. This excludes any valves between mud gas separator and shale shakers.
- ☐ All manual valves will have hand wheels installed.
- ☐ If used, flare system will have effective method for ignition
- ☐ All connections will be flanged, welded, or clamped (no threaded connections like hammer unions)
- ☐ If buffer tank is used, a valve will be used on all lines at any entry or exit point to or from the buffer tank.

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer

Wellname: _____

Representative: _____

Date: _____

BOPE Testing

Minimum Requirements

Closing Unit and Accumulator Checklist

The following item must be performed, verified, and checked off at least once per well prior to low/high pressure testing of BOP equipment. This must be repeated after 6 months on the same well.

- ☐ Precharge pressure for each accumulator bottle must fall within the range below. Bottles may be further charged with nitrogen gas only. Tested precharge pressures must be recorded for each individual bottle and kept on location through the end of the well. Test will be conducted prior to connecting unit to BOP stack.

Check one that applies	Accumulator working pressure rating	Minimum acceptable operating pressure	Desired precharge pressure	Maximum acceptable precharge pressure	Minimum acceptable precharge pressure
<input type="checkbox"/>	1500 psi	1500 psi	750 psi	800 psi	700 psi
<input type="checkbox"/>	2000 psi	2000 psi	1000 psi	1100 psi	900 psi
<input type="checkbox"/>	3000 psi	3000 psi	1000 psi	1100 psi	900 psi

- ☐ Accumulator will have sufficient capacity to open the hydraulically-controlled choke line valve (if used), close all rams, close the annular preventer, and retain a minimum of 200 psi above the maximum acceptable precharge pressure (see table above) on the closing manifold without the use of the closing pumps. This test will be performed with test pressure recorded and kept on location through the end of the well.
- ☐ Accumulator fluid reservoir will be double the usable fluid volume of the accumulator system capacity. Fluid level will be maintained at manufacturer's recommendations. Usable fluid volume will be recorded. Reservoir capacity will be recorded. Reservoir fluid level will be recorded along with manufacturer's recommendation. All will be kept on location through the end of the well.
- ☐ Closing unit system will have two independent power sources (not counting accumulator bottles) to close the preventers.
- ☐ Power for the closing unit pumps will be available to the unit at all times so that the pumps will automatically start when the closing valve manifold pressure decreases to the pre-set level. It is recommended to check that air line to accumulator pump is "ON" during each tour change.
- ☐ With accumulator bottles isolated, closing unit will be capable of opening the hydraulically-operated choke line valve (if used) plus close the annular preventer on the smallest size drill pipe within 2 minutes and obtain a minimum of 200 psi above maximum acceptable precharge pressure (see table above) on the closing manifold. Test pressure and closing time will be recorded and kept on location through the end of the well.
- ☐ Master controls for the BOPE system will be located at the accumulator and will be capable of opening and closing all preventer and the choke line valve (if used)
- ☐ Remote controls for the BOPE system will be readily accessible (clear path) to the driller and located on the rig floor (not in the dog house). Remote controls will be capable of closing all preventers.
- ☐ Record accumulator tests in drilling reports and IADC sheet

BOPE Test Checklist

The following item must be checked off prior to beginning test

- ☐ BLM will be given at least 4 hour notice prior to beginning BOPE testing
- ☐ Valve on casing head below test plug will be open
- ☐ Test will be performed using clear water.

The following item must be performed during the BOPE testing and then checked off

- ☐ BOPE will be pressure tested when initially installed, whenever any seal subject to test pressure is broken, following related repairs, and at a minimum of 30 days intervals. Test pressure and times will be recorded by a 3rd party on a test chart and kept on location through the end of the well.
- ☐ Test plug will be used
- ☐ Ram type preventer and all related well control equipment will be tested to 250 psi (low) and 5,000 psi (high).
- ☐ Annular type preventer will be tested to 250 psi (low) and 3,500 psi (high).
- ☐ Valves will be tested from the working pressure side with all down stream valves open. The check valve will be held open to test the kill line valve(s)
- ☐ Each pressure test will be held for 10 minutes with no allowable leak off.
- ☐ Master controls and remote controls to the closing unit (accumulator) must be function tested as part of the BOP testing
- ☐ Record BOP tests and pressures in drilling reports and IADC sheet

After Installation Checklist is complete, fill out the information below and email to Superintendent and Drilling Engineer along with any/all BOP and accumulator test charts and reports from 3rd parties.

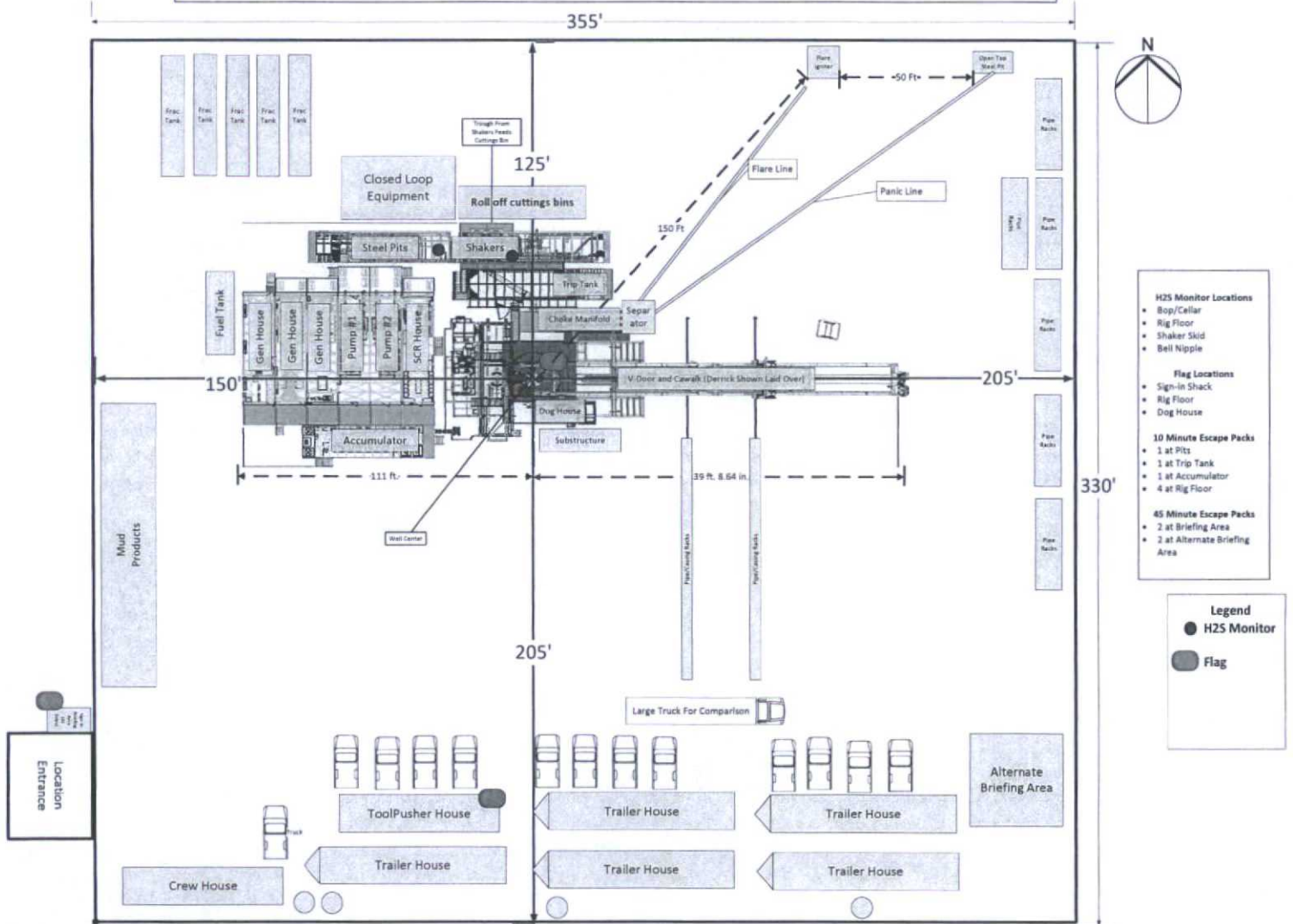
Wellname: _____

Representative: _____

Date: _____

Exhibit D

Ensign 153: Moonlight Buttress 26 Fed 1H Pad Layout (330' x 355')





A Tomkins Company

Robesco, Inc.

OILFIELD RUBBER PRODUCTS

4749 Eastpark Drive

Houston, TX 77028

United States of America

Gates Corporation Authorized Rotary and Vibrator Hose Subcontracted Fabricator

Hydrostatic Test Certification

Robesco, Inc. certifies that the following hose assembly has been tested to the Gates Oilfield Roughneck Agreement/Specification requirements and passed the hydrostatic test per API Spec 7K, Fifth Edition, June 2010, Test pressure 9.6.7 and per Table 9 to 15,000 psi in accordance with this product number. Hose burst pressure 9.6.7.2 exceeds the minimum of 2.25 times the working pressure per Table 9.

Assembly Part Number

36332R3-1/16HUB10K-LL-L

Serial Number / Date Code

L32461102512R112712-5

Chart Recorder Information

Hose Size

3.5IN X 32FT

Testers

OC CS

Serial Number

Recorder 22349

Calibration Date

Oct. 19th 2012

Lloyd's Register Type Approved for Fire Test OD/1000/499 Rev 1

Hydrostatic Test: Passed

Visual Inspection: Passed

QA Representative Signature

11/28/2012 *PS*

Date & Initial

Shipper:

**GHX - Robsco, Inc.
4749 Eastpark Drive**

**Houston, TX 77028
Rufus Dominguez 713-672-1777**

**Shipment Reference: 9415989
Consignee Reference: 491394-156JR
Total Weight: 1687
Total Shipment Pieces: 1**

Label 1 of 1

**Saia, Inc.
853-1923-A
11/29/2012**

Special Instruction

DO NOT STAND CRATES ON END!!!!

**DIM Weight: 1105
qty: 1 (88 x 84 x 29)**

00608423360 2

**TOTAL SERVICE SUPPLY LP
1620 VICEROY**

**ODESSA, TX 79763
ATTN: BRUCE**

(Fold Sheet Here)

30

35

2103339-9415989

3 1/2" X 32' w/ 3 1/4" C & K Lloyd

L 32461102512 R 112712-S

Length of I-27.05

SK pos 26.8

Over All-31.98

6930-6929

wp

Craig Lloyd

CHART NO. MC MP-30000-IHR

Graphic Controls



TAKEN OFF

REMARKS

LOCATION

CHART PUT ON

METER

M

M

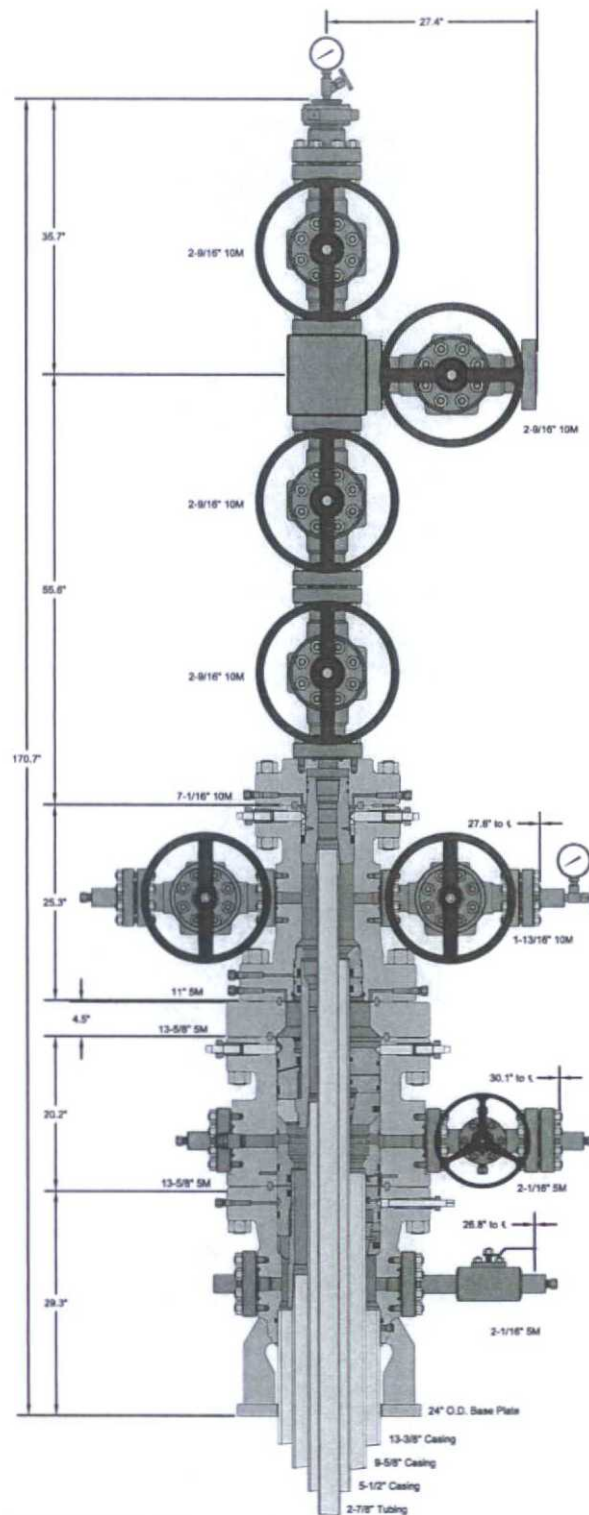
10

5

0 60



GE Oil & Gas



This drawing is the property of GE Oil & Gas Pressure Control LP and is considered confidential. Unless otherwise approved in writing, neither it nor its contents may be used, copied, transmitted or reproduced except for the sole purpose of GE Oil & Gas Pressure Control LP.

CHEVRON USA, INC.
DELAWARE BASIN

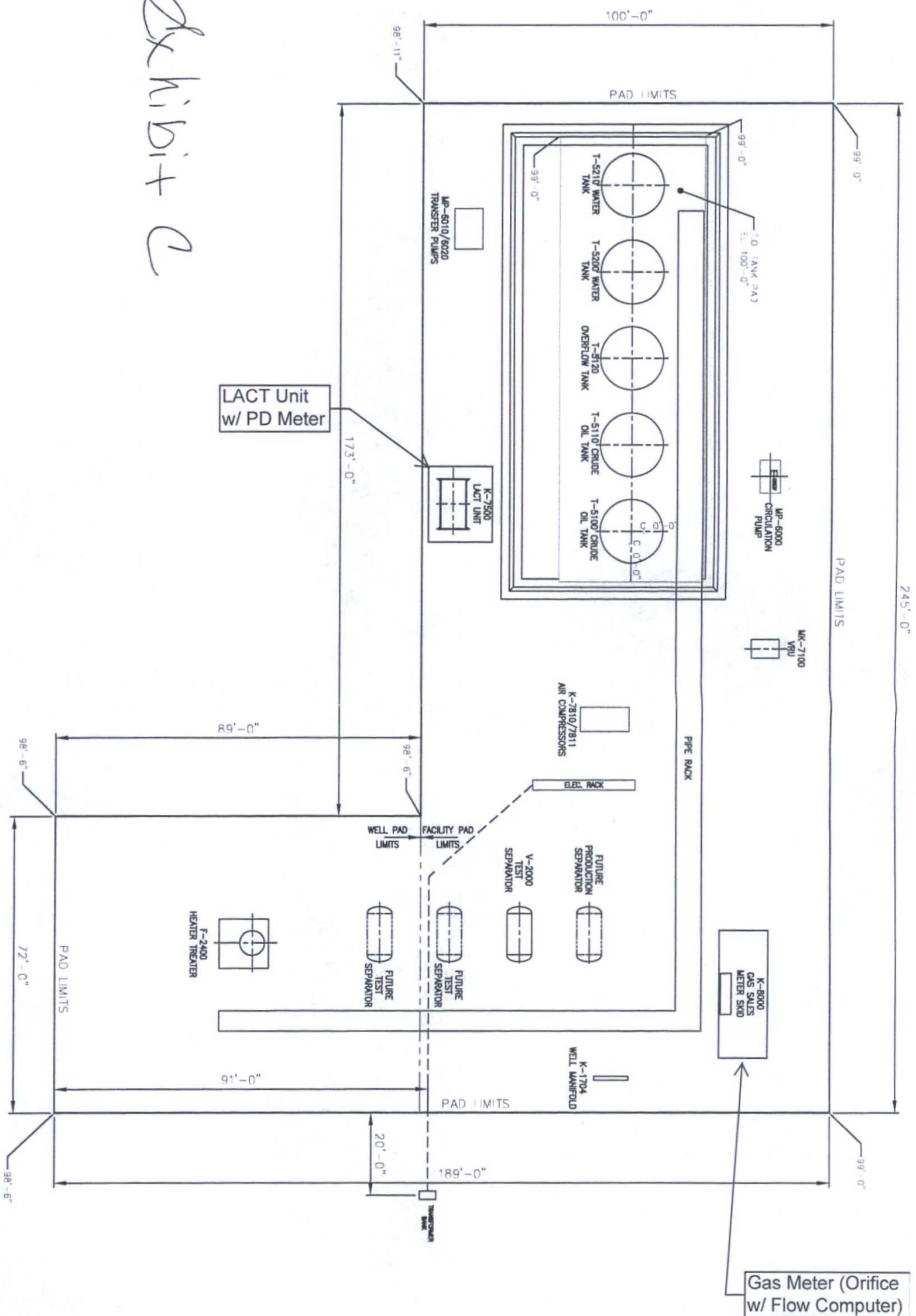
13-3/8" x 9-5/8" x 5-1/2" x 2-7/8" 10M SH2/Conventional
Wellhead Assembly, With DSA, T-EBS-F Tubing Head,
T-EN Tubing Hanger and A5PEN Adapter Flange

DRAWN	VJK	19MAR13
APPRV	KN	19MAR13

FOR REFERENCE ONLY
DRAWING NO. AE23705



Exhibit C





Frederick C. Verner
Project Manager
713-372-6149
fredverner@chevron.com

MidContinent Business Unit
Chevron North America Exploration and
Production Company,
a division of Chevron U.S.A. Inc.
1400 Smith Street, Room 40006
Houston, Texas 77002

Certified Mail – Return Receipt Requested
-and-
E-mail – jgalluzz@blm.gov; jblakley@blm.gov

August 15, 2014

United States Department of the Interior
Bureau of Land Management
Attention: Ms. Sheila Mallory
Deputy State Director, Minerals
New Mexico State Office
301 Dinosaur Trail
P.O. Box 27115
Santa Fe, NM 87502-0115

Re: Request for Suspension of Two Federal Oil and Gas Leases

Dear Ms. Mallory:

This letter is a follow up to my conversation with Joe Galluzzi of your office regarding Chevron U.S.A. Inc. ("Chevron") obtaining suspensions for Serial No. NMNM 112943 ("Lease 1") and Serial No. NMNM 112942 ("Lease 2"), both of which expire December 31, 2014.

Chevron respectfully requests suspensions of Lease 1 and Lease 2 because:

- (1) On April 29, 2014, Chevron applied for a permit to drill its Moonlight Buttress 35 25 35 #1H, a horizontal 3rd Bone Spring Sands well ("Well"), situated on portions of Lease 1 and Lease 2. The Well would comprise a 160 acre spacing unit with the surface location in the SW/4NW/4 of Section 35, T25S, R35E, Lea County, New Mexico and the bottom hole location in the NW/4SW/4 of Section 26, T25S, R35E, Lea County, New Mexico. The surface location of the Well would be 2,400 feet from the north line and 970 feet from the west line in Section 35. The bottom hole location would be 2,300 from the south line and 970 feet from the west line in Section 26.
- (2) As of the date of this letter, Chevron has not received a "10-day letter" and the Carlsbad Field Office has not yet approved Chevron's Well application. Jerry Blakley, of the Carlsbad Field Office, recommended that Chevron request suspensions because, due to a

backlog of applications, the Carlsbad Field Office may not be able to approve Chevron's application before the expiration of both Lease 1 and Lease 2.

- (3) Suspensions would give the Carlsbad Field Office time to process Chevron's Well application.
- (4) Suspensions would allow Chevron to prioritize future operations on other federal acreage in the vicinity of the Well. For example, Chevron recently submitted federal applications for two upcoming horizontal Bone Spring wells, Talco 9 26 35 #2H and Talco 25 25 35 Federal #1H, both proposed on federal oil and gas leases that expire November 30, 2016 and November 30, 2015, respectively. Information gained from the Well's testing program will be used to identify the most favorable targets for Talco 9 26 35 #2H and Talco 25 25 35 Federal #1H and ensure that the federal acreage is properly evaluated and developed.
- (5) Chevron is the lessee of record for Lease 2. Although Chevron owns operating rights in Lease 1, the lessee of record for Lease 1 is Devon Energy Production Company, LP. Devon Energy Production Company, LP supports a suspension and it will provide you a letter to that effect shortly.

I understand that an "eleventh" year rental is owed if Lease 1, Lease 2, or both are suspended. Once suspended, Chevron will contact the Office of Natural Resources Revenue and pay the rentals.

At your earliest convenience, please advise if the Bureau of Land Management will suspend both Lease 1 and Lease 2 along with the details of the suspensions.

Thank you for your consideration and guidance on this matter.

Sincerely,

CHEVRON U.S.A. INC.

By: 
Frederick C. Verner

Title: Project Manager



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office

P.O. Box 27115

Santa Fe, New Mexico 87502-0115

www.blm.gov/nm



3100 (9210)
NMNM 112942

August 27, 2014

Mr. Frederick Verner
Chevron USA, Inc
1400 Smith Street, Room 40006
Houston, TX 77002

Dear Mr. Verner:

By letter dated August 15, 2014 (received August 18, 2014), and a follow-up letter, dated August 21, 2014, you requested a lease suspension (suspension of operations) for Federal oil and gas lease NMNM 112942. The lease consists of 680.00 acres, located in the SESW of sec. 21, W2 of sec. 26, and NE and SW in sec. 27, all in T29S R35E, NMPM, Lea County, New Mexico. This lease was issued on December 17, 2004, effective January 1, 2005, with a ten-year term, and will expire on December 31, 2014.

Chevron USA, Inc. (Chevron) filed an application for permit to drill (APD) for the Moonlight Buttrass 35 25 35 #1H well on April 29, 2014 with the Bureau of Land Management (BLM) Carlsbad Field Office (CFO). With this APD, the well was designed to comprise a 160-acre spacing unit, with the surface location in SWNW of sec. 35, T25S R35E, and a bottom hole location in the NWSW of sec. 26, T25S R35E.

It is our understanding, that since submittal of that APD, Chevron has been in communication with other area operators and the BLM in order to determine the optimal development of the lease and adjacent leases. Chevron now intends to adjust its proposed well location to encompass only the W $\frac{1}{2}$ W $\frac{1}{2}$ of sec. 26, T25S R35E, and to rename the well to Moonlight Buttrass 26 #1H. Chevron also intends to submit a revised APD (within two weeks of the August 21, 2014 letter from Chevron).

The original APD was filed timely, such that if processed within 30 days, Chevron could be drilling before the lease expiration date or the drilling 'window' closes. CFO expected to have the APD processed and approved by late October to mid-November. However, given the revisions needed to optimally develop resources for the lease and other lands in the area, the CFO agrees that it is unlikely the revised APD, if submitted timely, could be approved in sufficient time so that Chevron could complete the well prior to lease expiration. The CFO supports your request. Therefore, your request for suspension of operations is approved, pending timely submission of the revised APD.

What this means to you

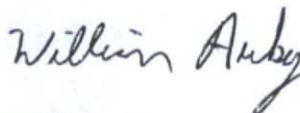
The suspension of operations is effective the first of the month in which the suspension request was filed—August 1, 2014. Per 43 CFR 3103.4-4(b), the lease term will be extended by the period of the suspension. **During the term of the suspension of operations, you will still have to pay the advanced annual rental.**

The suspension will terminate the earlier of: the first of the month in which you commence approved operations on the lease, or whenever the authorized officer (the Carlsbad Field Office Manager) determines that the suspension is no longer needed in the interest of conservation. Typically, 'approved operations' includes commencement of building the well location.

At the time the suspension is terminated, the lease will have 153 days left in its primary term. For the lease to remain in effect beyond the 153rd day, you will have to either 1) have completed a well that is capable of production in paying quantities; or 2) be actively drilling at midnight on the 30th day.

If you have any questions or need further clarification, please contact either Joe Galluzzi, Geologist, at 505.954.2145, or Jeannette Arquero, Land Law Examiner, at 505.954.2155, both in the BLM New Mexico State Office, or Steve Caffey, Assistant Field Office Manager in the Carlsbad Field Office, at 575.234.5925.

Sincerely,



acting for

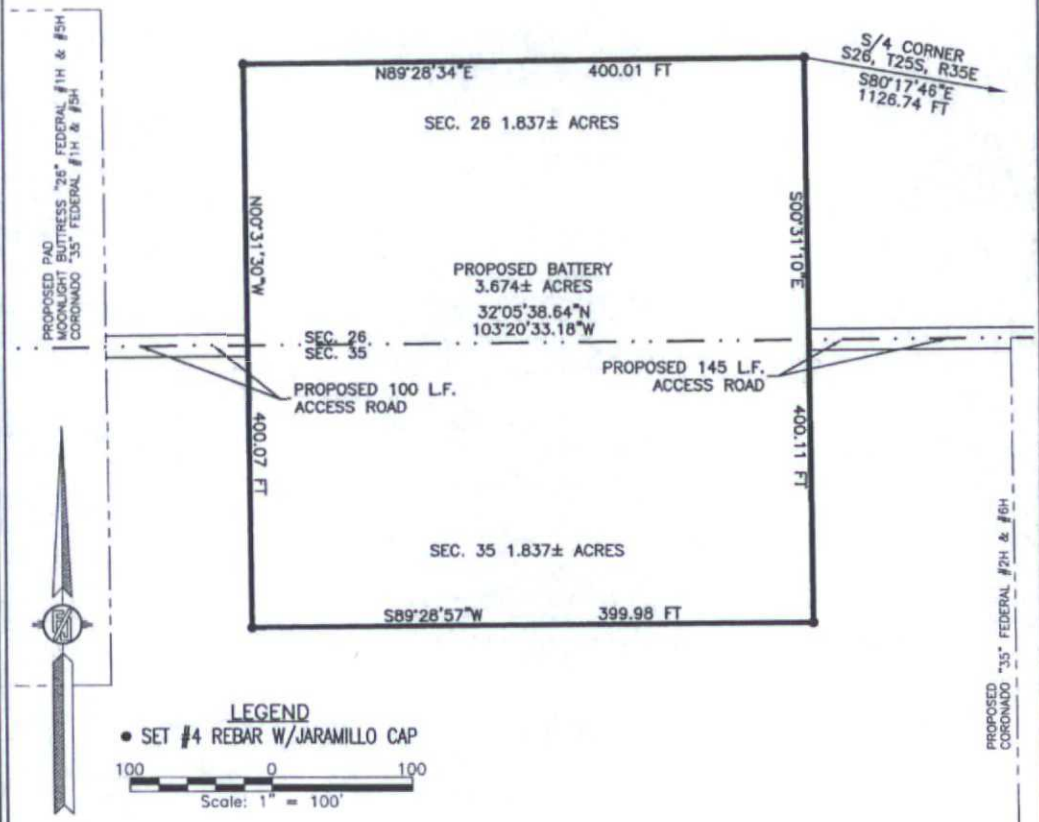
Sheila Mallory
Deputy State Director
Division of Minerals

MOONLIGHT BUTTRESS "26" / CORONADO "35" FEDERAL BATTERY

CHEVRON USA, INC.

IN THE SE/4 SW/4 SW/4 & SW/4 SE/4 SW/4 OF
SECTION 26, TOWNSHIP 25 SOUTH, RANGE 35 EAST &
THE NE/4 NW/4 NW/4 & NW/4 NE/4 NW/4 OF
SECTION 35, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

AUGUST 22, 2014



DESCRIPTION

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE SE/4 SW/4 SW/4 & SW/4 SE/4 SW/4 OF SECTION 26, TOWNSHIP 25 SOUTH, RANGE 35 EAST & THE NE/4 NW/4 NW/4 & NW/4 NE/4 NW/4 OF SECTION 35, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO.

BEGINNING AT THE NORTHEAST CORNER OF THE PARCEL, WHENCE THE SOUTH QUARTER CORNER OF SECTION 26, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS S80°17'46"E, A DISTANCE OF 1126.74 FEET; THENCE S00°31'10"E A DISTANCE OF 400.11 FEET TO THE SOUTHEAST CORNER OF THE PARCEL; THENCE S89°28'57"W A DISTANCE OF 399.98 FEET TO THE SOUTHWEST CORNER OF THE PARCEL; THENCE N00°31'30"W A DISTANCE OF 400.07 FEET TO THE NORTHWEST CORNER OF THE PARCEL; THENCE N89°28'34"E A DISTANCE OF 400.01 FEET TO THE NORTHEAST CORNER OF THE PARCEL, THE POINT OF BEGINNING; CONTAINING 3.674 ACRES MORE OR LESS.

GENERAL NOTES

- 1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A FRAC. POND
- 2.) BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST ZONE MODIFIED TO THE SURFACE (NAD83)

DRIVING DIRECTIONS: FROM STATE HWY. 128 AND CR. #2 (BATTLE AXE) GO SOUTHEAST ON HWY. 128 0.2 MILES, TURN RIGHT ON CALICHE ROAD AND GO SOUTH-SOUTHEAST 4.2 MILES, TURN LEFT AND GO EAST 1.2 MILES, BEND RIGHT AND GO SOUTH 0.7 MILES, TURN LEFT AND GO EAST 2.3 MILES, TURN RIGHT AND GO SOUTH 0.75 MILES, TURN LEFT ON SANDY TRAIL ROAD AND GO EAST 0.6 MILES TO THE WEST EDGE OF PROPOSED PAD FOR MOONLIGHT BUTTRESS "26" FEDERAL #1H & #5H, FOLLOW FLAGS EAST 825' TO CENTER OF BATTERY.

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 PLAN 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 26 DAY OF AUGUST, 2014

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

SHEET: 1-3

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

SURVEY NO. 3304

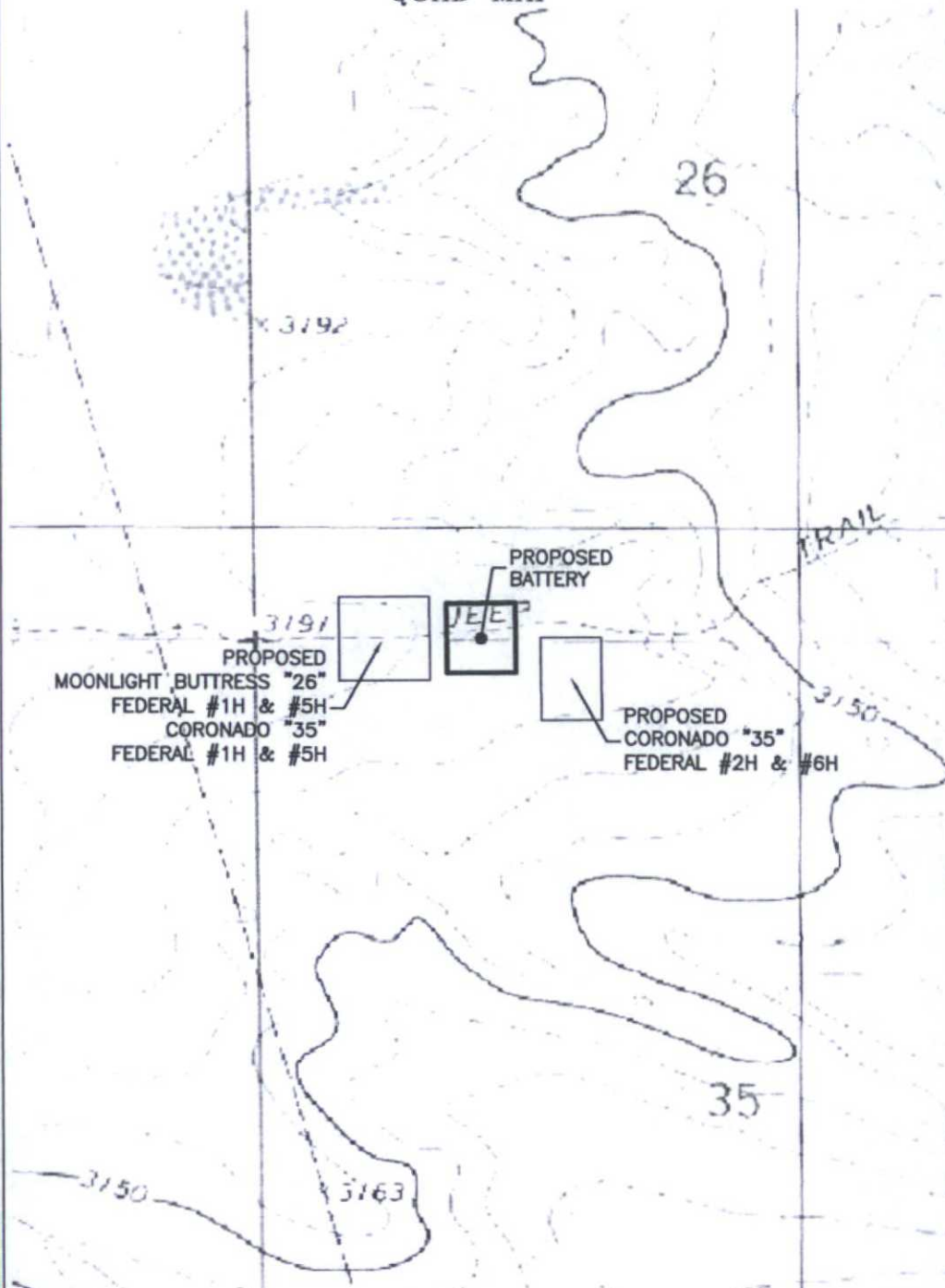
MOONLIGHT BUTTRESS "26" / CORONADO "35" FEDERAL BATTERY

CHEVRON USA, INC.

IN THE SE/4 SW/4 SW/4 & SW/4 SE/4 SW/4 OF
SECTION 26, TOWNSHIP 25 SOUTH, RANGE 35 EAST &
THE NE/4 NW/4 NW/4 & NW/4 NE/4 NW/4 OF
SECTION 35, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

AUGUST 22, 2014

QUAD MAP



SHEET: 2-3

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

SURVEY NO. 3304

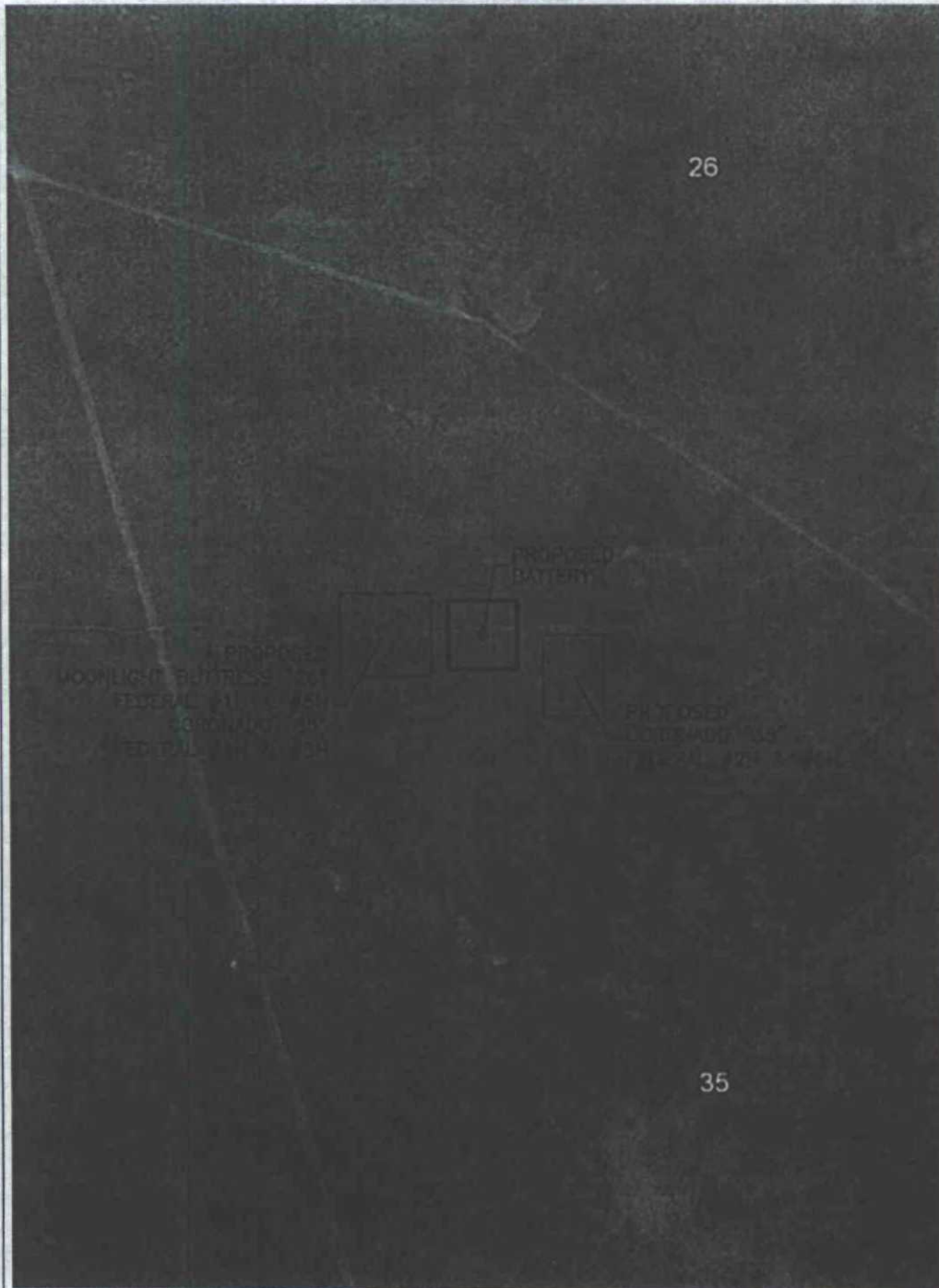
MOONLIGHT BUTTRESS "26" / CORONADO "35" FEDERAL BATTERY

CHEVRON USA, INC.

IN THE SE/4 SW/4 SW/4 & SW/4 SE/4 SW/4 OF
SECTION 26, TOWNSHIP 25 SOUTH, RANGE 35 EAST &
THE NE/4 NW/4 NW/4 & NW/4 NE/4 NW/4 OF
SECTION 35, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

AUGUST 22, 2014

AERIAL PHOTO



SHEET: 3-3

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

SURVEY NO. 3304

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 this APD package are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed 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 a false statement.

Executed this 03 day of September, 2014

Name: 
Frederick Verner - Project Manager

Address: 1400 Smith Street, 40039
Houston, TX 77027

Office 713-372-6149

E-mail: fredverner@chevron.com



Walls, Christopher <cwalls@blm.gov>

Moonlight Buttress 26 Fed 1H

5 messages

Walls, Christopher <cwalls@blm.gov>

Mon, Jul 6, 2015 at 12:16 PM

To: Manny Sirgo <manny@enduranceresourcesllc.com>

Cc: Stephen Caffey <scaffey@blm.gov>, Trishia Bad Bear <tbadbear@blm.gov>, Jerald Whitlock <Duncan_Whitlock@blm.gov>

Manny,

We got together last week and the decision was made that this well cannot be moved into section 27. According to Onshore Order 1 moving to a different quarter quarter requires a re-posting period and below I will attach FAQ from an IM sent out by the Washington office for clarity.

Do we charge an additional processing fee if the operator moves a well location after they filed their APD? It depends on why the well was moved. If the BLM requested that the well be moved to accomplish our agency or resource protection goals or to accommodate a surface owner request and that move resulted in a new APD, no additional processing fee would be required. An example would be moving a well to reduce a cut and fill or loss of habitat. However, if the operator requested the move and the move resulted in a new APD, an additional processing fee would be required.

This was originally permitted in section 35 as a single well pad. Chevron sent in replacement pages to move the well to section 26. I believe the BLM wanted to allow this move because the well would be placed on a pad that would accommodate other wells also. Now you wish to move this well to section 27. I think we have two choices 1. to permit this well (Moonlight buttress) in section 26 and do the operator change to endurance once the APD is approved and submit an additional APD (Music Master) for section 27. Or 2. Withdraw the Moonlight Buttress permit and submit the Music Master as a new APD.

Of course remember the Lease suspension is dependent upon the Moonlight Buttress APD... if we withdraw that APD additional work will be required to hold that lease.

—

Thank you,

Chris Walls
Bureau of Land Management
Carlsbad Field Office
575-234-2234

Manny Sirgo <manny@enduranceresourcesllc.com>

Mon, Jul 6, 2015 at 12:49 PM

To: "Walls, Christopher" <cwalls@blm.gov>

Cc: Jason South <jason@enduranceresourcesllc.com>

Thanks Chris,

We will drill the Moonlight Buttress at the location submitted, since it is associated with the lease suspension.

We would like to rename the well the Jaguar Bass 26-1H if that is possible ?

What do I need to submit ? Do I need a new check for the Music Master ?

From: Walls, Christopher [mailto:cwalls@blm.gov]
Sent: Monday, July 06, 2015 1:17 PM
To: Manny Sirgo
Cc: Stephen Caffey; Trishia Bad Bear; Jerald Whitlock
Subject: Moonlight Buttress 26 Fed 1H

[Quoted text hidden]

Mon, Jul 6, 2015 at 1:53 PM

Once the moonlight buttress is approved we will do the change of operator sundry. Once that is approved you can submit the changes. You will need to submit the APD and check for the Music Master in section 27. Trishia has not routed the APD for the Moonlight buttress because of the confusion of where the location will be. I believe the Geo report has been completed but it is still lacking Eng.

[Quoted text hidden]

Mon, Jul 6, 2015 at 2:03 PM

OK.

I show the location(SH) for the Moonlight Butress 26-1H to be 90' FSL & 660' FWL(Sec 26-25s-35e) on the same pad as our Coronado 1H well that we are currently spudding.

From: Walls, Christopher [mailto:cwalls@blm.gov]
Sent: Monday, July 06, 2015 2:53 PM
To: Manny Sirgo
Subject: Re: Moonlight Buttress 26 Fed 1H

[Quoted text hidden]

Mon, Jul 6, 2015 at 2:08 PM

That is correct.
[Quoted text hidden]



Walls, Christopher <cwalls@blm.gov>

Chevron U.S.A. Inc. - Moonlight Buttress 26 Fed #1H

1 message

Levine, Jason <JLevine@chevron.com>

Tue, Jul 7, 2015 at 12:47 PM

To: "cwalls@blm.gov" <cwalls@blm.gov>, "scaffey@blm.gov" <scaffey@blm.gov>

Cc: Manny Sirgo <manny@enduranceresourcesllc.com>

Dear Gentlemen:

I am writing to update you regarding the APD of Chevron U.S.A. Inc. ("Chevron") for the Moonlight Buttress 26 Fed #1H situated in Section 26 of Township 25 South, Range 35 East, Lea County, New Mexico. Chevron requests that the BLM approve this APD, and upon approval, Chevron will transfer the APD to Endurance Resources, LLC and complete any necessary paperwork including any sundry.

Please contact me if you have any questions.

Sincerely,

Jason A. Levine

Land Representative

jlevine@chevron.com

Delaware Basin - New Mexico

Chevron North America Exploration and Production Company

1400 Smith St.

Houston, TX 77002

713-372-5313

Schedule A

MOONLIGHT BUTTRESS 26 FEDERAL #1H

This APD package is a replacement package for the MOONLIGHT BUTTRESS 35 FEDERAL #1H that
Was submitted to the BLM on 04/24/2014.

MOONLIGHT BUTTRESS 26 FEDERAL #1H

THE ONSITE INSPECTION WAS DONE BY TRISH BADBEAR, BLM, ON 08/14/2014.



DURING THE DRILLING OF THIS WELL, CHEVRON PROPOSES TO USE A CLOSED LOOP SYSTEM WITH A STEEL TANK AND HAUL TO THE REQUIRED DISPOSAL, PER THE OCD RULE 19.15.17.

PROCESSING FEE INFORMATION CALLED INTO Jan Young AT BLM , ON 09/03/2014

CHEVRON USA INC HAS AN AGREEMENT WITH CEHMM TO PROVIDE THE NEPA INFORMATION TO BLM.

PLEASE FIND THE FOLLOWING ATTACHMENTS:

APD FORM

PRIVATE SURFACE OWNER AGREEMENT (IF APPLICABLE) - BLM

C102 (EXHIBIT A-1)

VICINITY MAPS (EXHIBIT A-2 through A-4)

MILE RADIUS MAP (EXHIBIT B)

DRILLING PLAN

DIRECTIONAL PLAN AND PLOT

BOP SCHEMATIC

CHOKE MANIFOLD SCHEMATIC

BOPE TESTING

RIG LAYOUT/FACILITY PAD (EXHIBIT D)

MISCELLANEOUS SCHEMATICS

H2S PLAN

INTERIM RECLAMATION PLAT -

SURFACE USE PLAN

COFLEX HOSE TEST CERTIFICATION AND CHART

WELLHEAD SCHEMATIC

OIL AND GAS MEASUREMENT SCHEMATIC (EXHIBIT C)

MISCELLANEOUS MAPS (PROPOSED PAD AND ACCESS ROAD, EXISTING & PROPOSED ROW EASEMENT DETAIL, PROPOSED FLOWLINE)

PRESSURE CONTROL WELLHEAD EQUIPMENT RUNNING PROCEDURE- IF REQUIRED

OPERATOR CERTIFICATION - SIGNED

ARCH SURVEY - will send separately