

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCDF0555 OCDF

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

JUN 24 2013

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.

6. If Indian, Allottee or Tribe Name
BLM MNM 121958

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other SWD

8. Well Name and No.
Pan Am Federal "25" SWD # 1

2. Name of Operator
Endeavor Energy Resources, LP

9. API Well No.
30-025-23155

3a. Address
110 N. Marienfeld Street., Suite 200
Midland, Texas 79701

3b. Phone No. (include area code)
(432) 687-1575

10. Field and Pool or Exploratory Area
Delaware

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1977 FSL, 653 FWL, UNIT "L", SEC. 25, T25S, R33E, Lea CO. NM.

11. Country or Parish, State
Lea, 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 |
| | <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 checked="" 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 recompleate 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 recompleation 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.)

Proposed work (6/18/2013):

- 1) Drill remaining cement including remainder of plug #3 from 440' to 550' (8-5/8" shoe at 506').
- 2) Wash down and tag plug #2 at 1,000' (set at 1,200'). Dress top of cement 25' below top of Rustler to a depth of 1,072'.
- 3) Run new 7" 26# HCP110 UltraFJ casing to 1,072'.
- 4) Cement 7" casing with , attempting to circulate cement to surface:
Lead: 30 sx Super C modified (47 pps C + 20 pps Poz + 17 pps fumed silica) + 5% salt (12.5 ppg, 1.78 cu ft/sk).
45.7 cu ft inside 8-5/8" + 2.9 cu ft in open hole (w/ 50% excess)
Tail: 50 sx C + 5% salt (14.8 ppg, 1.32 cu ft/sk),
16 8.6 cu ft in shoe track + 57.4 cu ft in annulus, top calc at 533' (50% excess)
WOC 12-hr to drill out. Tail slurry has 700 psi + compressive strength in 12 hrs.
- 5) If cement is not circulated to surface, verify TOC by CBL. If cement top is below 306' (200' overlap), contact BLM for instructions.
- 6) Perform CIT to 1,500 psi. Drill out 6-1/8". Drill plug #2 (1,000-1,200') and plug #1 (5,000-5,200') in existing 7-7/8" hole. Deepen from 5,300' original TD to 7,050' (6-1/8").
- 7) Run new 4-1/2" 11.6# L80 LT&C production string to surface. Burst & collapse force of 3666 psi (10.0 MW), 6350 collapse rating (1.7 SF), 7780 psi burst rating (2.1 SF). Hook load: 81.8k lb (in air) & 69.3k lb (10.0 MW). LT&C joint strength = 211k lb (2.6 SF in air, 3.0 SF in 10# mud).
- 8) Cement as follows:
Lead: 600 sx 35/65/6 Poz/C/gel (12.4 ppg, 2.10 cu ft/sk). 1,200 cu ft (open hole w/ 30% excess) + 52 cu ft (500' inside 7" casing), TOC at 572'.
Tail: 200 sx 50/50/2 Poz/C/gel (14.2 ppg, 1.33 cu ft/sk). 266 cu ft (top at 5125', 30% excess)

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

Title Regulatory Analyst

Signature

Date 06/18/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

BUREAU OF LAND MANAGEMENT

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)

JUN 26 2013

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVED

JUN 18 2013

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT

CARLETON FIELD OFFICE

PECOS DISTRICT
CONDITIONS OF APPROVAL

| | |
|-----------------------|------------------------------------|
| OPERATOR'S NAME: | ENDEAVOR RESOURCES |
| LEASE NO.: | NM121958 |
| WELL NAME & NO.: | 1 PAM AM FEDERAL 25 |
| SURFACE HOLE FOOTAGE: | 1980' FSL & 660' FWL |
| BOTTOM HOLE FOOTAGE: | 1980' FNL & 660' FWL |
| LOCATION: | Section 25, T.25 S., R.33 E., NMPM |
| COUNTY: | Lea County, New Mexico |

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 24 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

- 1. Hydrogen Sulfide has been reported as a hazard in formations deeper than the proposed depth. It is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation. This will also be applicable if an un-cemented completion liner is run and a liner top seal, or equivalent, has not been established before the rig move.**
- 3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
- 4. The record of the drilling rate along with the GR/N well log run from TD of the vertical portion of hole to surface shall be submitted to the BLM office as well as all

other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#).

Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the Delaware formation.

Possible brine and fresh water flows in the Salado, Castile, and Delaware.

1. The **8-5/8** inch conductor casing was set at 506' and cement did not circulate to surface.
2. The 7 inch Ultra FJ surface casing shall be set at approximately **1072** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **Additional cement is required as excess calculates to 25%. Remedial cement methods are limited with annulus dimensions. Operator shall take all steps necessary to ensure cement is circulated to surface. If lost circulation is encountered a DV tool shall be utilized to achieve isolation of the fresh water zone.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of

six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
3. The minimum required fill of cement behind the 4-1/2 inch production casing is:
- ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

CRW 061813