

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

JUN 13 2013

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; Sec 20-23S-34E

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

8. Well Name and No.
Stratocaster 20 Fed 1H

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 EXPAND SURFACE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	LOCATION &
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	SIDETRACK

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.)

- 1) MIRU PU. POOH w/ existing production equipment laying down.
- 2) Set & test CIBP @ 10,250 over existing Bone Spring perfs (10,300-10,608) & test to 2500psi. Dump bail 35' Class H cement to isolate existing perfs.
- 3) Set CIBP @ 9,925'. Test to 1000psi to ensure CIBP is holding.
- 4) Set whipstock @ ~9,925'. RDMO PU. WO drilling rig.
- 5) MIRU drilling rig. Sidetrack out of 7" casing with 6-1/8" bit to 14,542' MD (10,500' TVD).
- 6) Run 4-1/2" 13.5 #/ft BTC P-110 csg from 9,725' TVD to 14,452' MD / 10,500' TVD. (TOL to TD).
- 7) Cement 4-1/2" csg w/ 235 sxs (50:50) CI H cmt + 1#/sx salt + 0.5% Halad 344 + 0.3% CFR-3 + 0.75% HR-601 + FW. (15 ppg/ 2.63 cu/ft).
- 8) Complete well in Bone Springs formation & turn over to production.

See attached C-102, 4-1/2" csg program, design factors, mud program, pressure control equipment, cement program, & current/proposed schematics.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Kale Jackson 575.914.3355

Title Sr Completions Engineer

Signature

Date 04/18/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Petroleum Engineer

JUN 26 2013

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
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.

(Instructions on page 2)

JUN 26 2013



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JUN 13 2013

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Endurance Resources LLC

DRILLING & OPERATIONS PROGRAM

Stratocaster 20 Fed #1H

SHL: 660' FSL & 660' FWL

BHL: 330' FNL & 660' FWL

Sec 20-23S-34E

Lea Co, NM

CASING PROGRAM:

HOLE SIZE	HOLE INTERVAL	OD CSG	CASING INTERVAL	WEIGHT	COLLAR	GRADE
6-1/8"	9,925' – 14,542	4-1/2"	9,725' – 14,542'	13.5#	BTC	P-110

NOTE: ALL CASING IS NEW & API APPROVED. WHILE RUNNING CASING, PIPE WILL BE KEPT A MINIMUM OF 1/3 FULL AT ALL TIMES TO AVOID APPROACHING COLLAPSE PRESSURE OF THE CASING

DESIGN FACTORS:

CASING SIZE	COLLAPSE DESIGN FACTOR	BURST DESIGN FACTOR	TENSION DESIGN FACTOR
4-1/2" 13.5# P-110 BTC	2.01	2.33	1.86

MUD PROGRAM:

DEPTH	MUD WEIGHT	VISC	FLUID LOSS	TYPE OF SYSTEM
0 - 14,542'	8.9 - 9.3	28 - 30	NC	CUT BRINE

PROPOSED CEMENT PROGRAM:

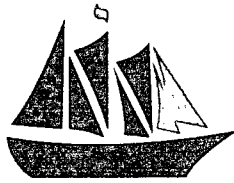
TAIL: 235 SXS (50:50) CLASS H CMT + 1#/SX SALT + 0.5% HALAD 344 + 0.3% CFR-3 + 0.75% HR-601 + FW. (15 PPG/ 2.63 cu/ft).

NOTE: CMT VOLUMES CALCULATED ON 15% EXCESS. ACTUAL CEMENT VOLUMES WILL BE ADJUSTED BASED ON FLUID CALIPER & CALIPER LOG DATA TO ENSURE CEMENT IS BROUGHT BACK TO LINER TOP.

PRESSURE CONTROL:

NIPPLE UP ON 13-3/8 2M SYSTEM TESTED TO 50% OF RATED WORKING PRESSURE BY INDEPENDENT TESTER.

NIPPLE UP ON 9-5/8 WITH 3M SYSTEM TESTED TO 3000PSI BY INDEPENDENT TESTER.



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PIPE RAMS WILL BE OPERATIONALLY CHECKED EACH 24 HOUR PERIOD. BLIND RAMS WILL BE OPERATIONALLY CHECKED ON EACH TRIP OUT OF THE HOLE. THESE CHECKS WILL BE NOTED ON THE DAILY TOUR SHEETS. A 2" KILL LINE & A 3" CHOKE LINE WILL BE INCLUDED IN THE DRILLING SPOOL LOCATED BELOW THE RAM-TYPE BOP. OTHER ACCESSORIES TO BOP EQUIPMENT WILL INCLUDE A KELLY COCK & FLOOR SAFETY VALVE (INSIDE BOP), CHOKE LINES, AND CHOKE MANIFOLD WITH 3000PSI WP RATING.

ENDURANCE WILL TEST BOP AS SOON AS IT IS INSTALLED & PRIOR TO CUTTING CASING WINDOW.

POTENTIAL HAZARDS:

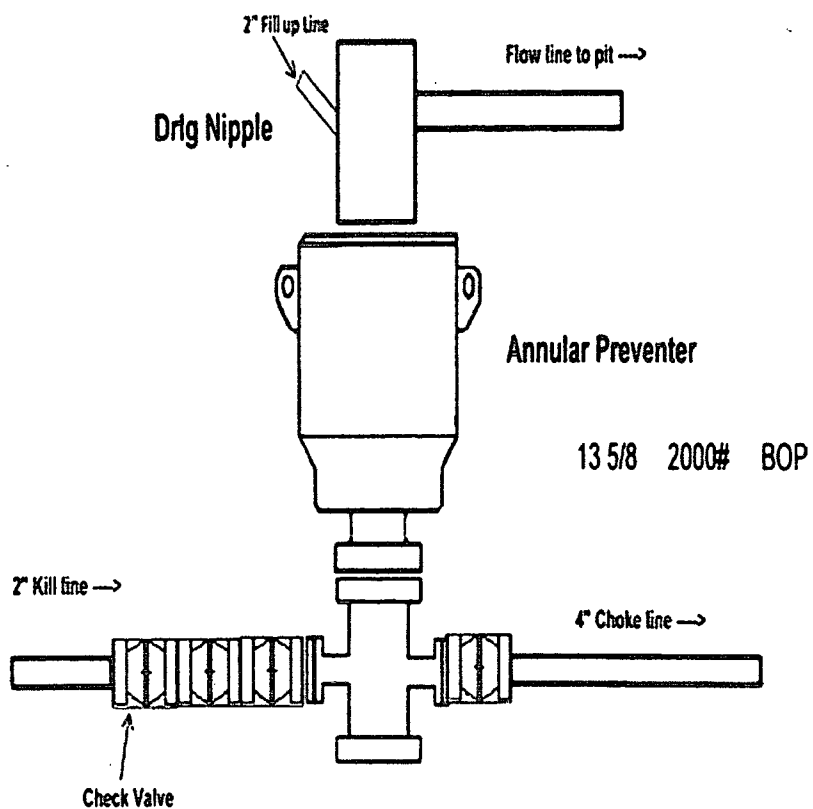
THE EXISTING PALOMA 20-1 WELL HAS BEEN PRODUCING IN THE PROSPECTIVE HORIZONTAL TARGET SINCE 2011. NO ABNORMAL PRESSURES OR H₂S IS TO BE EXPECTED. IF H₂S IS ENCOUNTERED, ENDURANCE RESOURCES LLC WILL COMPLY WITH ONSHORE ORDER #6. REGARDLESS, ALL PERSONNEL WILL BE TRAINED & QUALIFIED WITH H₂S SAFETY & RIG SAFETY EQUIPMENT WILL BE CHECKED DAILY.

LOCATION & OPERATIONS:

- LOCATION EXPANSION WILL NOT COMMENCE UNTIL THE BLM HAS APPROVED THE APD. ENDURANCE WILL USE THE EXISTING ROAD INTO LOCATION & WILL NOT GO BEYOND THIS ROAD IN ANYWAY.
- ALL CALICHE USED FOR THE PAD EXPANSION WILL BE OBTAINED FROM AN EXISTING BLM APPROVED PIT OR FROM DEPOSITS FOUND UNDER THE LOCATION. SPOIL PIPE, IF ANY, WILL BE PUSHED TO THE NW QUARTER OF LOCATION FROM THE PAD EXPANSION.
- ENDURANCE WILL USE EXISTING FACILITIES ALREADY IN PLACE ON THE NORTH & NE QUARTER OF LOCATION.
- DRILLING RIG LAYOUT & DIMENSIONS ARE ATTACHED. THESE DIAGRAMS SHOW THE LOCATION OF EQUIPMENT TO BE PLACED ON LOCATION. MUD PITS IN THE CIRCULATING SYSTEM WILL BE STEEL PITS, AND A CLOSED LOOP SYSTEM WILL BE UTILIZED. ALL WASTE MATERIAL FROM DRILLING OPERATIONS WILL BE HAULED OFF TO CRI OR BLM APPROVED LANDFILL.
- FLOWBACK OR PW WILL BE HAULED TO AN APPROVED
- ALL WELL SITE WASTE MATERIAL (I.E TRASH) WILL BE CONTAINED IN CLOSED TRASH TRAILER CAGES & PORTO-JOHN'S WILL BE USED FOR GRAY WATER WASTE MANAGEMENT.
- PROPOSED INTERIM RECLAMATION IS ATTACHED WITH SITE LAYOUT. SITE SAFETY WAS TAKEN INTO CONSIDERATION WHEN DRAWING UP THIS PROPOSAL.
- HAD ONSITE WITH TRISH BADBEAR 4/15/13

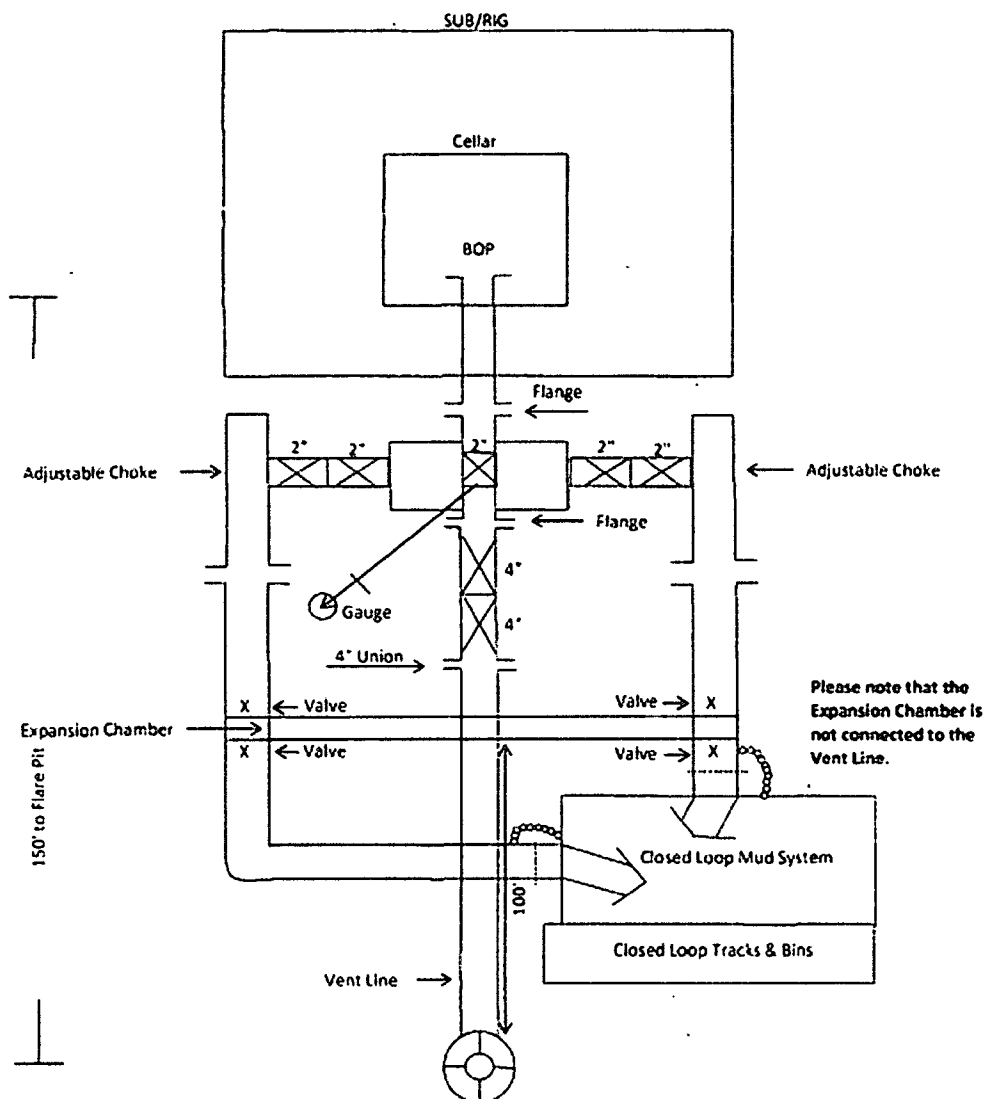


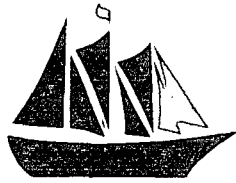
2,000 psi BOP Schematic





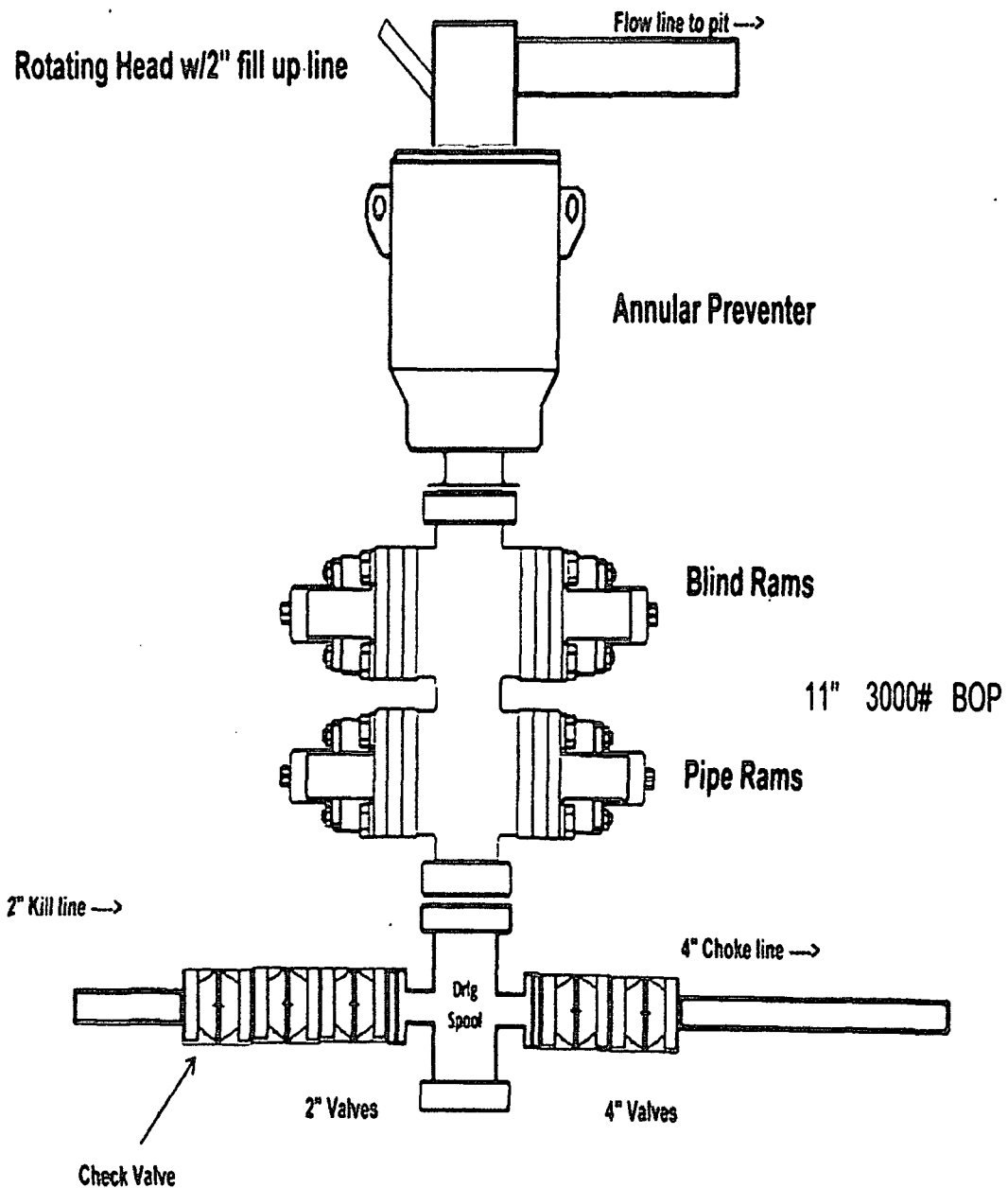
2M Choke Manifold Equipment

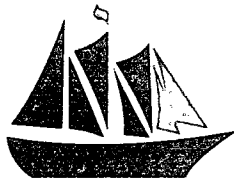




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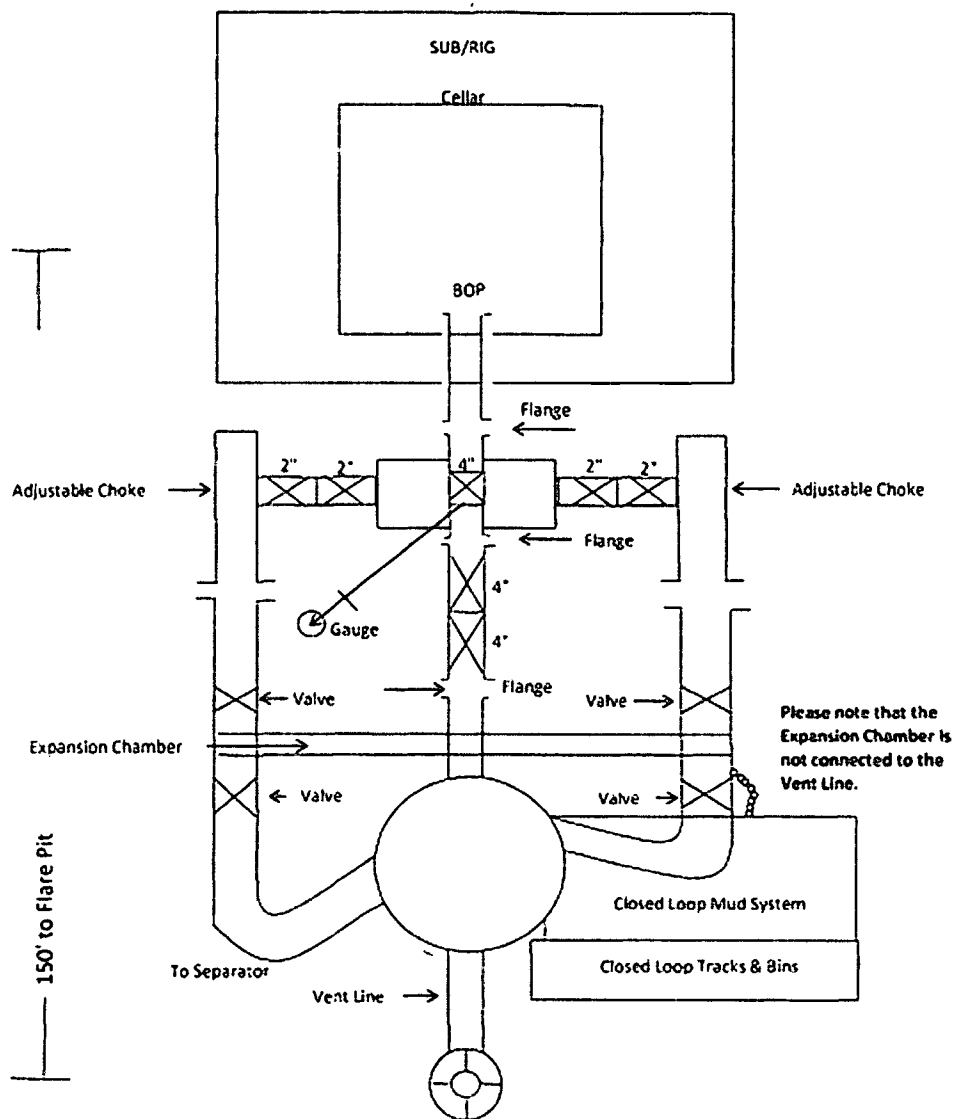
3,000 psi BOP Schematic

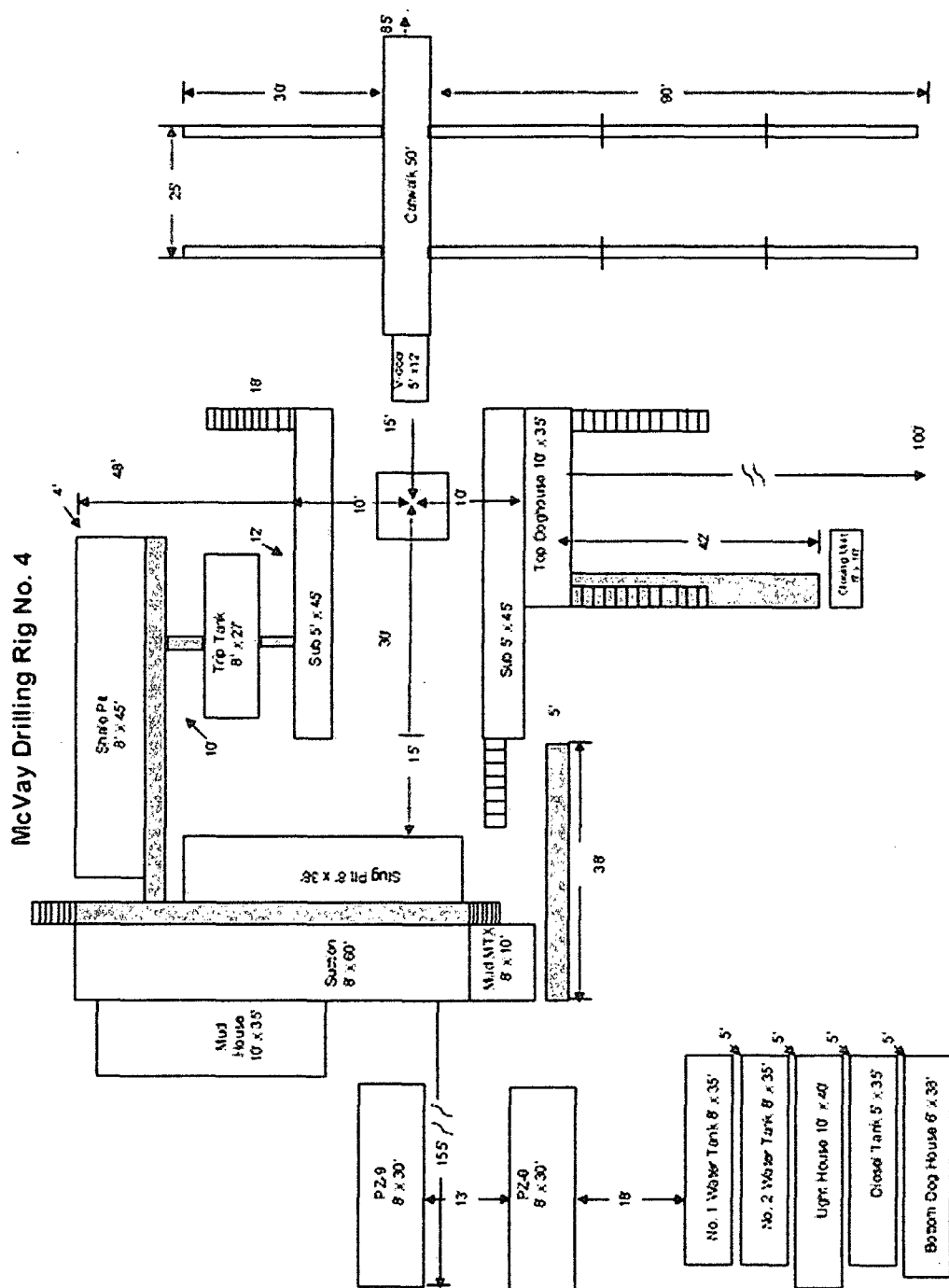


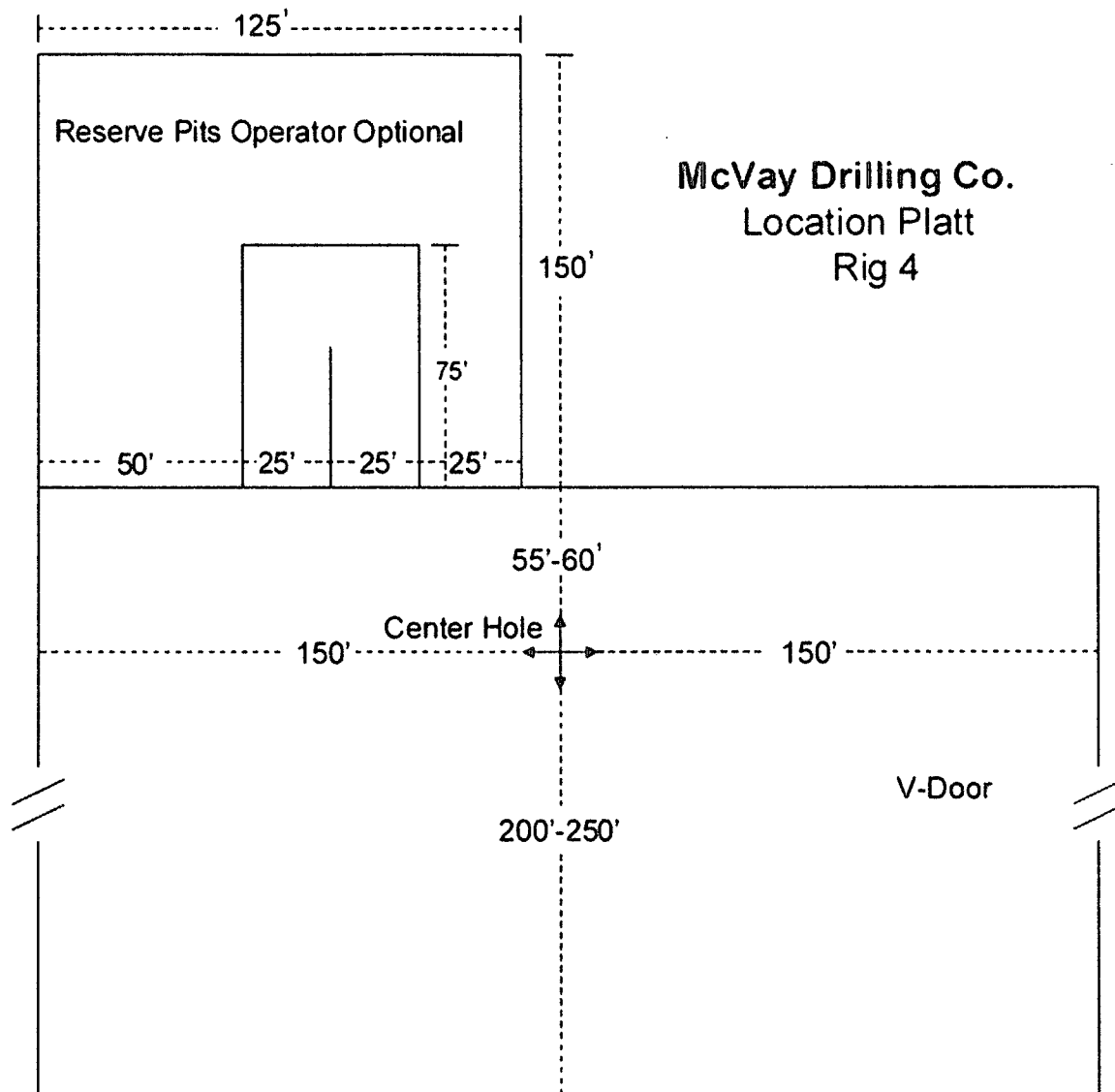


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3M Choke Manifold Equipment





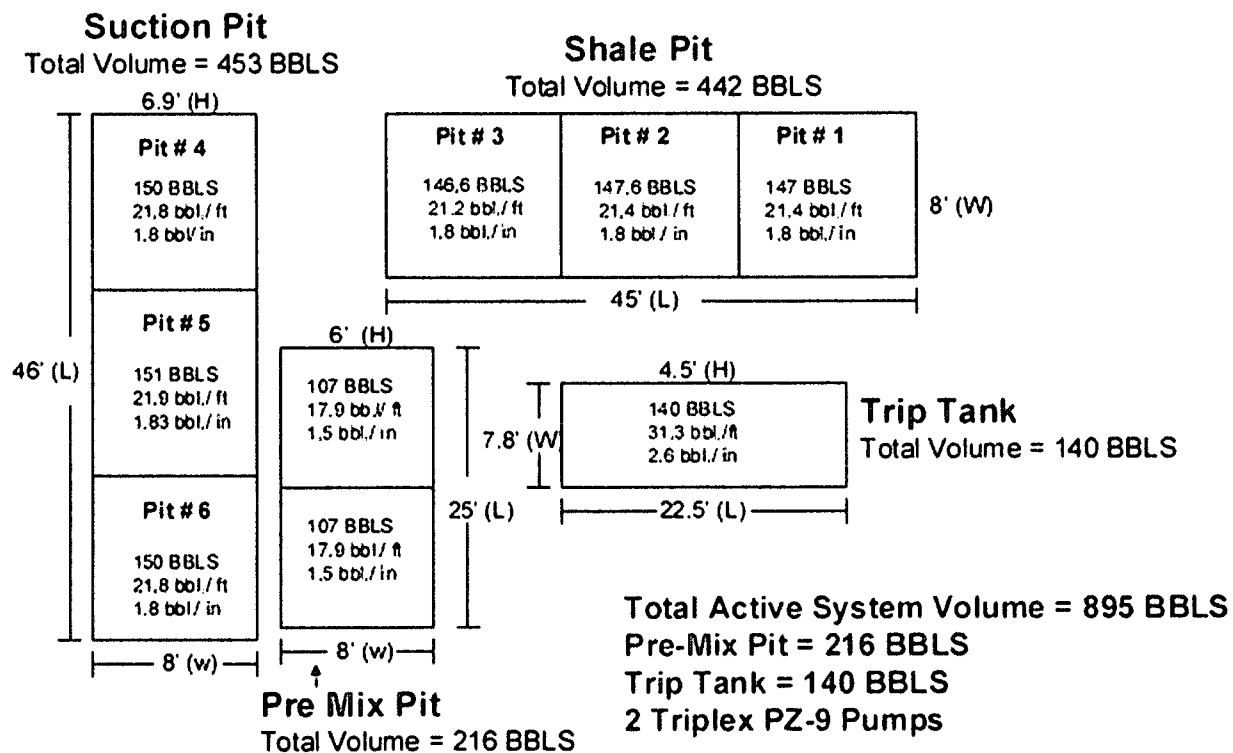


McVay Drilling Co.
Location Platt
Rig 4



McVay Drilling Co.

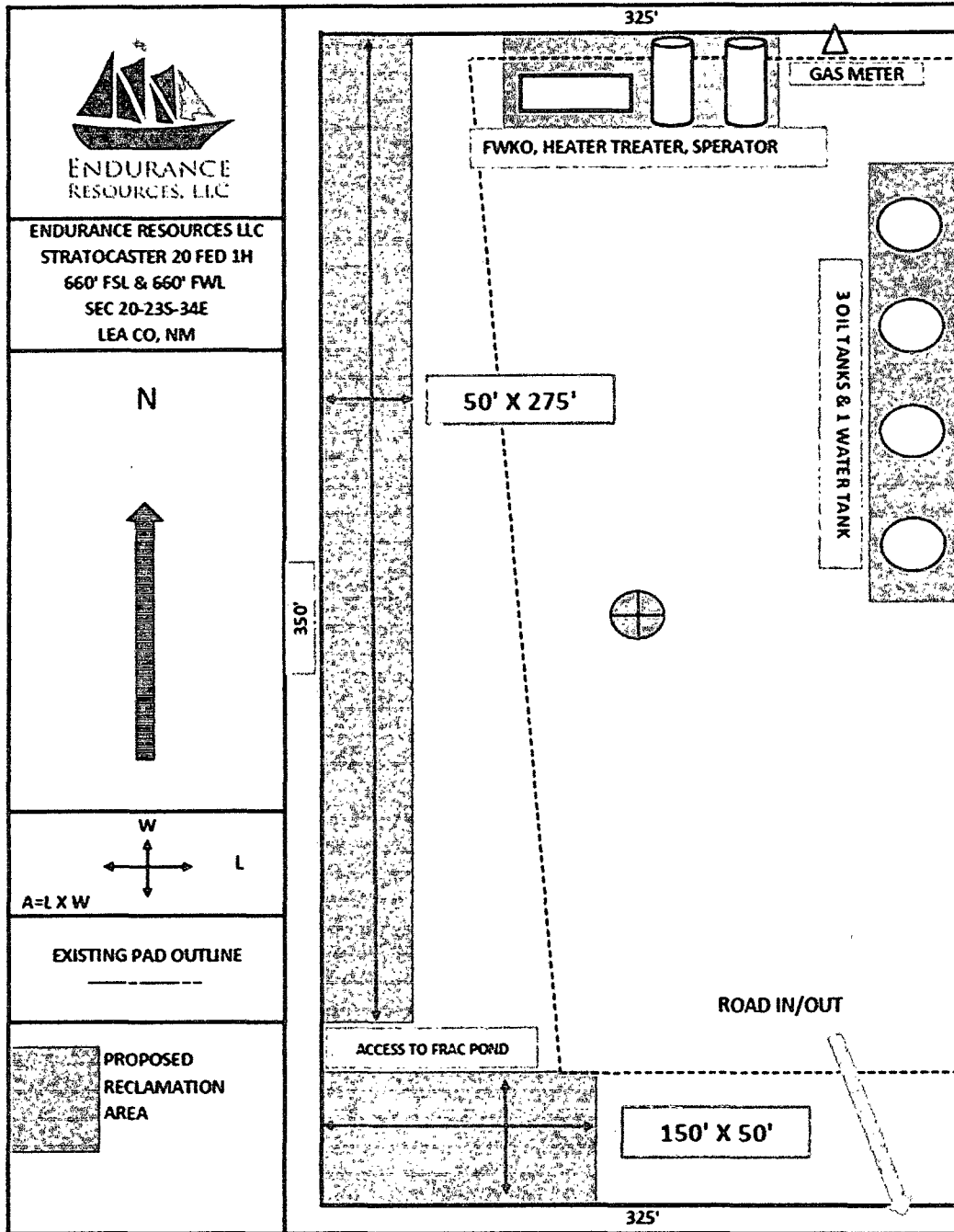
Rig # 4 – Pit System

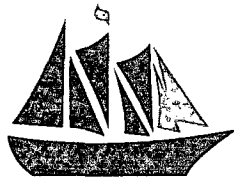




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PROPOSED INTERIM SITE RECLAMATION





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Lea County, NM (NAD 83)
Stratocaster 20 Fed
Stratocaster 20 Fed #1H

Wellbore #1

Plan: Plan #3

Sperry Drilling Services Standard Report

16 April, 2013

Well Coordinates: 468,299.51 N, 799,333.76 E (32° 17' 04.61" N, 103° 29' 54.52" W)
Ground Level: 3,562.56 ft

Local Coordinate Origin:	Centered on Well: Stratocaster 20 Fed #1H
Vertical Datum:	GE 3562' + KS 19' @ 3583.00ft. (Original Well Elev)
TVDs to System:	N
North Reference:	Grid
Unit System:	API - US Survey Feet

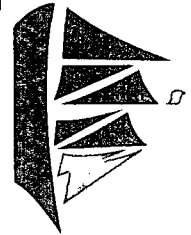
Version: 2003.16 Build: 431

HALLIBURTON

Endurance Resources LLC

HALLIBURTON
Sperry Drilling Services

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Project: Lea County, NM (NAD 83)
Site: Stratocaster 20 Fed
Well: Stratocaster 20 Fed #1H
Wellbore: Wellbore #1
Plan: Plan #3
Rig: Original Well Elev

SECTION DETAILS

MD	Inc	Azi	TVD	+N-S	+E-W	DLog	TFace	VSec	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9927.04	0.00	0.00	9927.04	0.00	0.00	0.00	0.00	0.00	Start Build
10827.04	90.00	359.41	10500.00	572.93	-5.89	10.00	359.41	572.88	End Build
14542.63	90.00	359.41	10500.00	4288.32	-43.97	0.00	0.00	4288.55	TD

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

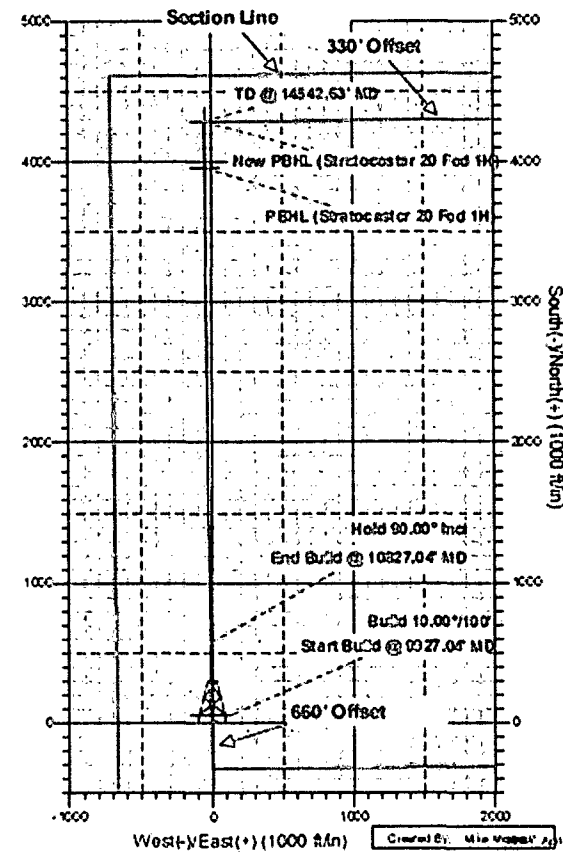
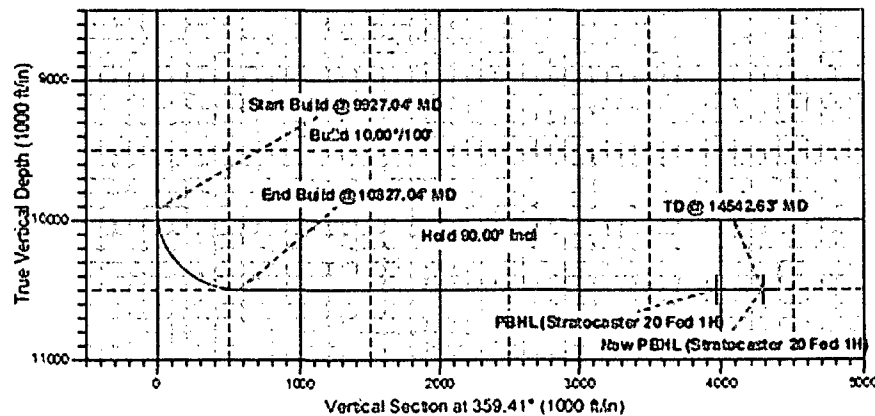
Name	TVD	+N-S	+E-W	Northing	Easting
New PBHL (Stratocaster 20 Fed 1H)	10500.00	4288.32	-43.97	472587.83	799289.79
PBHL (Stratocaster 20 Fed 1H)	10500.00	3958.34	-40.89	472257.85	799292.87

Surface Location:

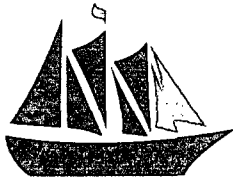
US State Plane 1983
New Mexico Eastern Zone
Bovaton GE 3502 + KB 19 @ 3583.00ft (Original Well Bev)
Northing Easting Latitude Longitude
469299.51 799033.78 32° 17' 4.810 N 103° 29' 54.522 W

To convert a Magnetic Direction to a Grid Direction, Add 7.00°

Magnetic Model BCGM2012 Date 27-Feb-13
Azimuths to Grid North



Created By: Mike Wobeser 2/11/13



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Endurance Resources LLC
Lea County, NM (NAD 83)

Plan Report for Stratocaster 20 Fed #1H - Plan #3

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	-N/-S (ft)	-E/-W (ft)	Vertical Section (ft)	Dogleg Rate (%/100ft)
13,800.00	90.00	359.41	10,500.00	3,545.73	-36.36	3,545.92	0.00
13,900.00	90.00	359.41	10,500.00	3,645.72	-37.36	3,645.92	0.00
14,000.00	90.00	359.41	10,500.00	3,745.72	-38.41	3,745.92	0.00
14,100.00	90.00	359.41	10,500.00	3,845.71	-39.44	3,845.92	0.00
14,200.00	90.00	359.41	10,500.00	3,945.71	-40.46	3,945.92	0.00
14,300.00	90.00	359.41	10,500.00	4,045.70	-41.49	4,045.92	0.00
14,400.00	90.00	359.41	10,500.00	4,145.70	-42.51	4,145.92	0.00
14,500.00	90.00	359.41	10,500.00	4,245.69	-43.54	4,245.92	0.00
14,542.63	90.00	359.41	10,500.00	4,288.32	-43.97	4,288.55	0.00
TD @ 14542.63' MD							

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates -N/-S (ft)	-E/-W (ft)	Comment
9,927.04	9,927.04	0.00	0.00	Start Build @ 9927.04' MD
9,927.04	9,927.04	0.00	0.00	Build 10.00'/100'
10,827.04	10,500.00	572.93	-5.87	End Build @ 10827.04' MD
10,827.04	10,500.00	572.93	-5.88	Hold 90.00° Incl
14,542.63	10,500.00	4,288.32	-43.97	TD @ 14542.63' MD

Vertical Section Information

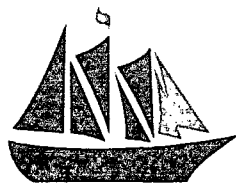
Angle Type	Target	Azimuth (°)	Origin Type	Origin -N/-S (ft)	-E/-W (ft)	Start TVD (ft)
TD	No Target (Freehand)	359.41	Spot	0.00	0.00	0.00

Survey tool program

From (ft)	To (ft)	Survey/Plan	Survey Tool
0.00	14,542.63	Plan #3	MWD-SC

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	-N/-S (ft)	-E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
New PBHL (Stratocaster) - plan hits target center - Point	0.00	0.00	10,500.00	4,288.32	-43.97	472,587.83	799,239.79	32° 17' 47.246 N	103° 29' 54.645 W
PBHL (Stratocaster) - plan hits target center - Point	0.00	0.07	10,500.00	3,958.34	-40.89	472,257.85	799,292.87	32° 17' 43.980 N	103° 29' 54.639 W



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Lea County, NM (NAD 83)

HALLIBURTON

North Reference Sheet for Stratocaster 20 Fed - Stratocaster 20 Fed #1H - Wellbore #1

All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.

Vertical Depths are relative to GE 3562' + KB 19' @ 3583.00ft (Original Well Elev). Northing and Easting are relative to Stratocaster 20 Fed #1H

Coordinate System is US State Plane 1983, New Mexico Eastern Zone using datum North American Datum 1983, ellipsoid GRS 1980

Projection method is Transverse Mercator (Gauss-Kruger)

Central Meridian is 104° 20' 0.000 W", Longitude Origin:0° 0' 0.000 E", Latitude Origin:0° 0' 0.000 N"

False Easting: 541,337.50ft, False Northing: 0.00ft, Scale Reduction: 0.99993531

Grid Coordinates of Well: 458,299.51 ft N, 799,333.75 ft E

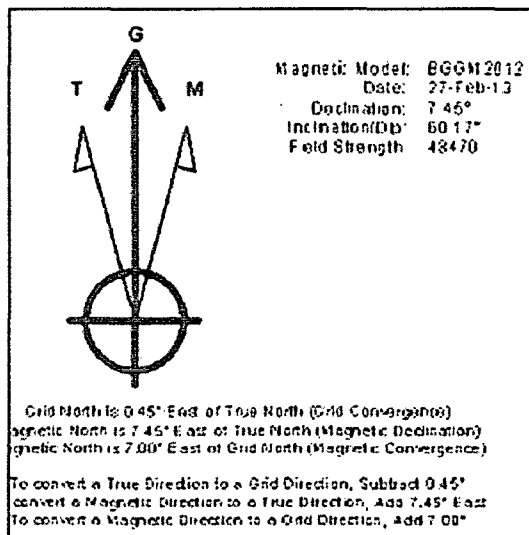
Geographical Coordinates of Well: 32° 17' 04.81" N, 103° 29' 54.52" W

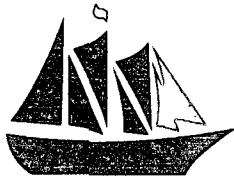
Grid Convergence at Surface is: 0.45°

Based upon Minimum Curvature type calculations, at a Measured Depth of 14,542.63ft

the Bottom Hole Displacement is 4,288.55ft in the Direction of 359.41° (Grid).

Magnetic Convergence at surface is: -7.00° (27 February 2013, BGGM2012)





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ENDURANCE RESOURCES LLC

Well Name: Paloma Blanco 20 Fcd #1	Field: Bell Lake; Bone Springs
Location: 660' FSL & 660' FWL; 20-235-34E	County: LEA State: NM
Elevation: 3,562 GL; 3,585 KB	Spud Date: 7/15/05 Compl Date: 10/1/05
API#: 30-025-37295 Prepared by: KALE JACKSON	Date: 4/10/13 Rev: 4/10/13



CURRENT SCHEMATIC

HOLE SIZE	CASING SIZE	DEPTH SET	CMT TOP
17-1/2	13-3/8"	1,114'	SURFACE

HOLE SIZE	CASING SIZE	DEPTH SET	CMT TOP
12-1/4"	9-5/8"	5134'	SURFACE

BHA ASSEMBLY

ROD PUMP
169jts 2-3/8 tbg
TAC @ 10,024
20jts 2-3/8 tbg
SN @ 10,664' w/ perf sub & MJ
183-7/8 rods
231-3/4 rods
11-1-1/4 K bers
2x1-1/2x24' pump w/ 26K sheer tool

BONE SPRING PERFS: 10,300 - 10,608

Pump 55 exe Class H cmt. Tag @ 11,250 to cover Wolfcamp

Pump 55 exe Class H cmt. Tag @ 12,010 to cover liner top

TOP OF LINER	
4-1/2"	12,063'

HOLE SIZE	CASING SIZE	DEPTH SET	CMT TOP
8-3/4"	7"	12,410'	SURFACE

26W P-110H LTC. CMT w/ 2250x or 3913.5 cuft
CBL RAN 9/10/11. Log stopped at 5,000'. Showed good bang to this point

CIBP @ 12,465' (9/11/11)

"CHANGE OPERATOR FROM DVN TO ENDURANCE" 7/01/11

ATOKA PERFS: 12,517 - 12,539

CIBP @ 13,190'. DUMPBAIL 35' CMT

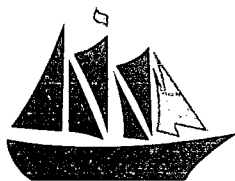
MORROW PERFS: 13,226 - 13,236

CIBP @ 13,400

MORROW PERFS: 13,430 - 13,540

HOLE SIZE	CASING SIZE	DEPTH SET	CMT TOP
6-1/8"	4-1/2"	13,898	TOL

13.5W P-110H LTC



ENDURANCE
RESOURCES, LLC

ENDURANCE RESOURCES LLC			
Well Name: Stratocaster 20 Fed 1H		Field: Bell Lake; Bone Springs	
Location: 660' FSL & 660' FWL; 20-235-34E		County: LEA	State: NM
Elevation: 3,562 GL		Spud Date: 7/15/05	Compl Date: 10/1/05
API#: 30-025-37295	Prepared by: KALE JACKSON	Date: 4/10/13	Rev: 4/12/13

ENDURANCE
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PROPOSED SCHEMATIC
NOTE: DRAWING NOT TO SCALE

HOLE SIZE	CASING SIZE	DEPTH SET	CMT TOP
17-1/2	13-3/8"	1,114'	SURFACE

HOLE SIZE	CASING SIZE	DEPTH SET	CMT TOP
12-1/4"	9-5/8"	5134'	SURFACE

Proposed: Set 4-1/2" TOL @ ~9,725' TVD

Proposed: Set Whipstock @ ~9,925' TVD

Proposed: CIBP @ 9,925' TVD

Proposed: CIBP @ 10,250' w/ 35' Class H cmt: ~10,215'

TOP OF LINER	
4-1/2"	12,063'

HOLE SIZE	CASING SIZE	DEPTH SET	CMT TOP
8-3/4"	7"	12,410'	SURFACE

260' P-110H LTC. CMT w/ 2250cu or 3913.5 cuft
 "CBL RAN 9/10/11. Log stopped at 5,000". Showed good bang to this point"

HOLE SIZE	CASING SIZE	DEPTH SET	CMT TOP
6-1/8"	4-1/2"	13,898	TOL

13.55' P-110H LTC

PROPOSED: 6-1/8" hole
 4-1/2" 13.55' P-110 csg to ~14,542' MDW 10,500' TVD

BONE SPRING PERFS: 10,300 - 10,608 (3/10/11)

Pump 55 exa Class H cmt. Tag @ 11,250 to cover Wolffcamp (3/03/11)

Pump 55 exa Class H cmt. Tag @ 12,010 to cover liner top (3/03/11)

CIBP @ 12,465' (3/03/11)

"CHANGE OPERATOR FROM DVN TO ENDURANCE" 7/01/11

ATOKA PERFS: 12,517 - 12,539

CIBP @ 13,190'. DUMPBAIL 35' CMT

MORROW PERFS: 13,226 - 13,236

CIBP @ 13,400

MORROW PERFS: 13,430 - 13,540