

30-825-41448

ENDURANCE RESOURCES LLC

MULTIPOINT SURFACE USE AND OPERATIONS PLAN

NOCASTER 19 FED #3H

SHL: 330' FSL & 1980' FEL

HOEBS OCD

BHL: 330' FNL & 1980' FEL

SEP 27 2013

SEC 19-23S-34E

RECEIVED

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. 0.25 of a mile. Proposed location is approx. 170' 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 5 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 Nocaster 19-3H location (15' wide) to the Stratocaster 20 Fed 1H (formally Paloma Blanco 20 Fed #1) location. This should provide a 175' of clearance from the proposed wellhead location to the





RECEIVED

road running through the SW corner of the well pad. See page 2 of the C-102 packet (Site Map) for more details.

- 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 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 side of location per Trish Badbear's request.
- In the event this well is found productive, (1) flow line will be trenched & buried to the proposed Nocaster 19-4H battery. This flow line is to be laid cross country as to avoid proposed locations being built along the access road. A strip of land 30ft wide crossing BLM land in Sec 19-23S-34E & being 15ft on each side is being requested for ROW. Total distance of this flow line will be ~1,715'. Endurance Resources requests to lay (1) buried 4" poly flex flow line this distance to the Nocaster 19-4H battery. This line is expected to carry 800 BOPD, 600 MCFD, & 1200 BWPD at 125psi. See attached plat labeled "The Nocaster flowline connecting the Nocaster 19 Fed #3H & #4H" (contains 3 pages).
- All flow lines will adhere to API standards.
- 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' electric line will need to be re-routed along the south portion of the proposed Nocaster 19 Fed 3H location & tied back into the existing power line that follows the access road. See attached plat labeled "Re-route an existing 4 wire powerline around the Nocaster 19 Fed 3H location" for more information. ROW for this re-route 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 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 waster 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 land fill. 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 Lavout:

- 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 from 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 side of location per Trish Badbear's request.
- If the well is a producer, those areas of the location not essential to production facilities will be reclaimed & seeded per BLM requirements.

SEP 27 2013



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.

HOBBS OCD

CEP 27 2013



SEP 27 2013

RECEIVED

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.

7/3/7013

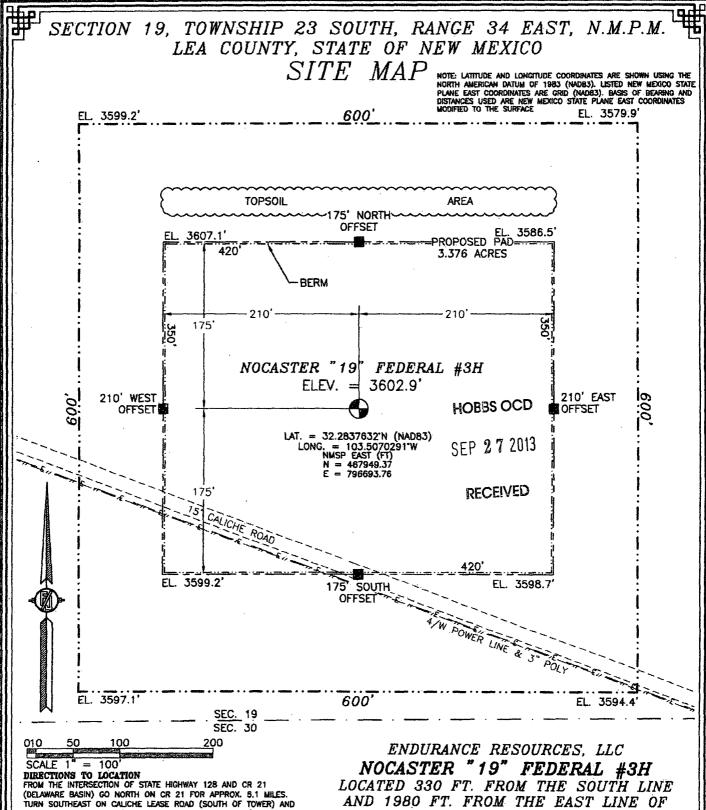
Date

Kale Jackson

Sr Completions Engineer

Endurance Resources LLC

kale@enduranceresourcesllc.com



AND 1980 FT. FROM THE EAST LINE OF SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

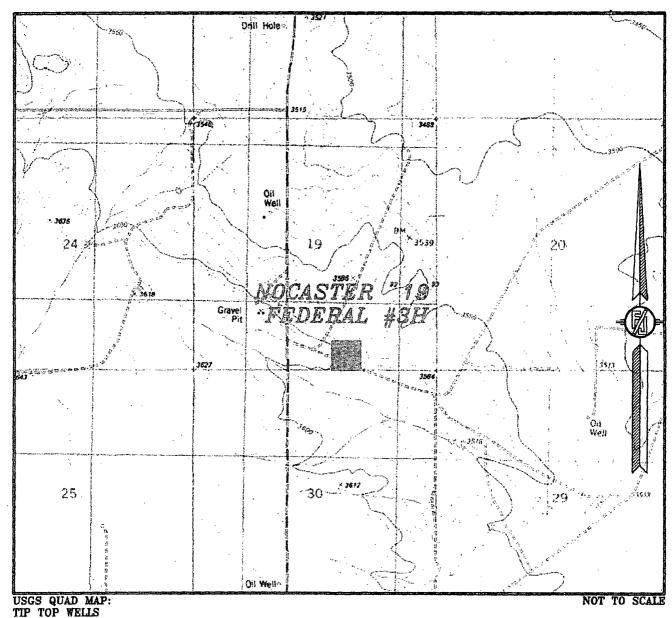
JUNE 18, 2013

SURVEY NO. 1919

MADRON SURVEYING, INC. 501 SOUTH CARLSBAD, NEW MEXICO

GO APPROX. 0.25 OF A MILE. LOCATION IS APPROX. 170' NORTH.

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



ENDURANCE RESOURCES, LLC

NOCASTER "19" FEDERAL #3H
LOCATED 330 FT. FROM THE SOUTH LINE

AND 1980 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

HOBBS OCD

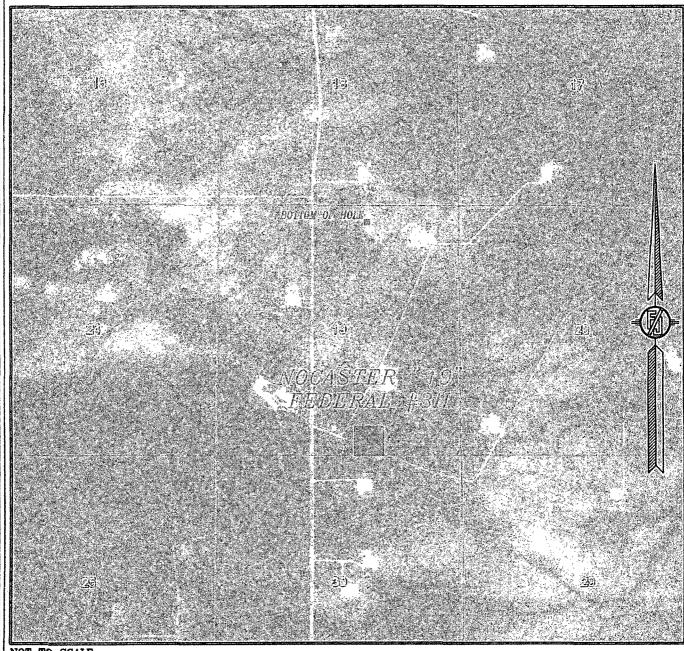
SEP 27 2013

RECEIVED

SURVEY NO. 1919

MADRON SURVEYING, INC. 301 SOUTH CANAL 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

ENDURANCE RESOURCES, LLC
NOCASTER "19" FEDERAL #3H
LOCATED 330 FT. FROM THE SOUTH LINE
AND 1980 FT. FROM THE EAST LINE OF
SECTION 19, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

HOBBS OCD

SEP 27 2013

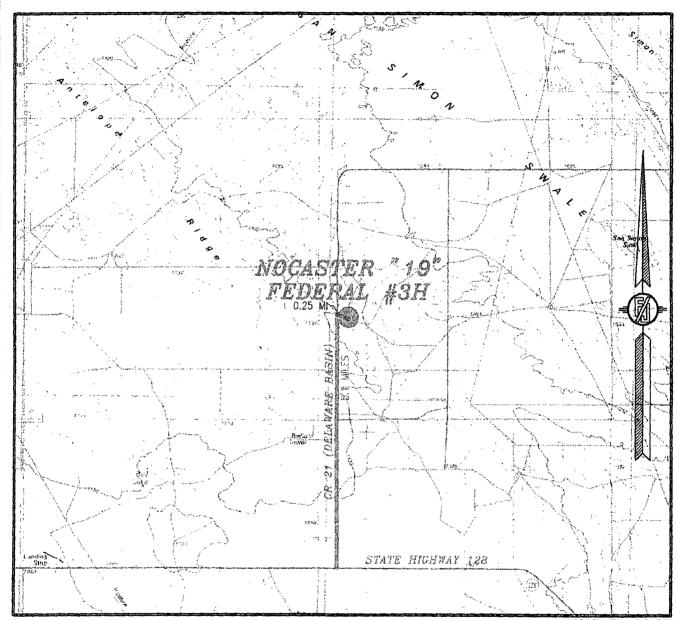
RECEIVED

JUNE 18, 2013

SURVEY NO. 1919

MADRON SURVEYING, INC. 501 SOUTH CANAL CARLSBAD, NEW MEXICO

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



NOT TO SCALE

ENDURANCE RESOURCES, LLC
NOCASTER "19" FEDERAL #3H
LOCATED 330 FT. FROM THE SOUTH LINE
'AND 1980 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

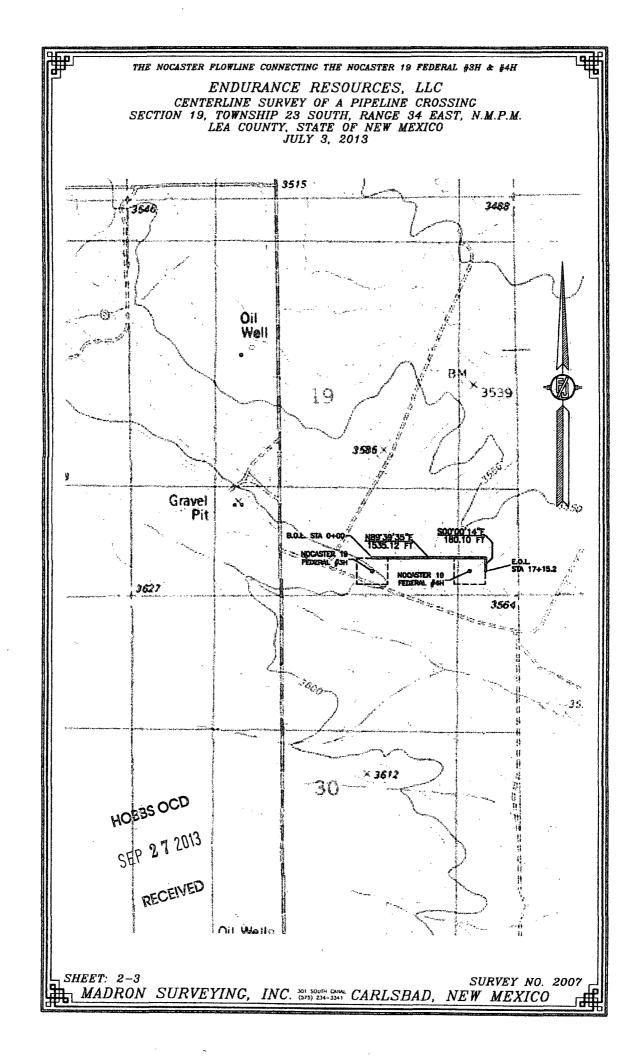
DIRECTIONS TO LOCATION
FROM THE INTERSECTION OF STATE HIGHWAY 128 AND CR 21
(DELAWARE BASIN) GO NORTH ON CR 21 FOR APPROX. 5.1 MILES.
TURN_SOUTHEAST ON CALICHE LEASE ROAD (SOUTH OF TOWER) AND
MGO TAPPROX. 0.25 OF A MILE. LOCATION IS APPROX. 170' NORTH.

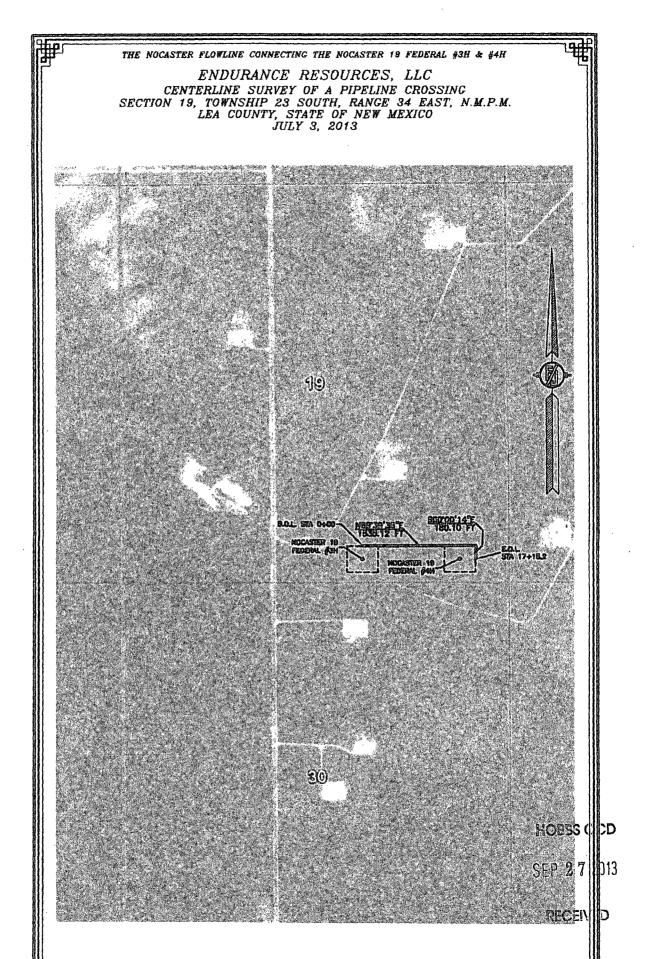
SEP 27 2013

RECEIVED SURVEY NO. 1919

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

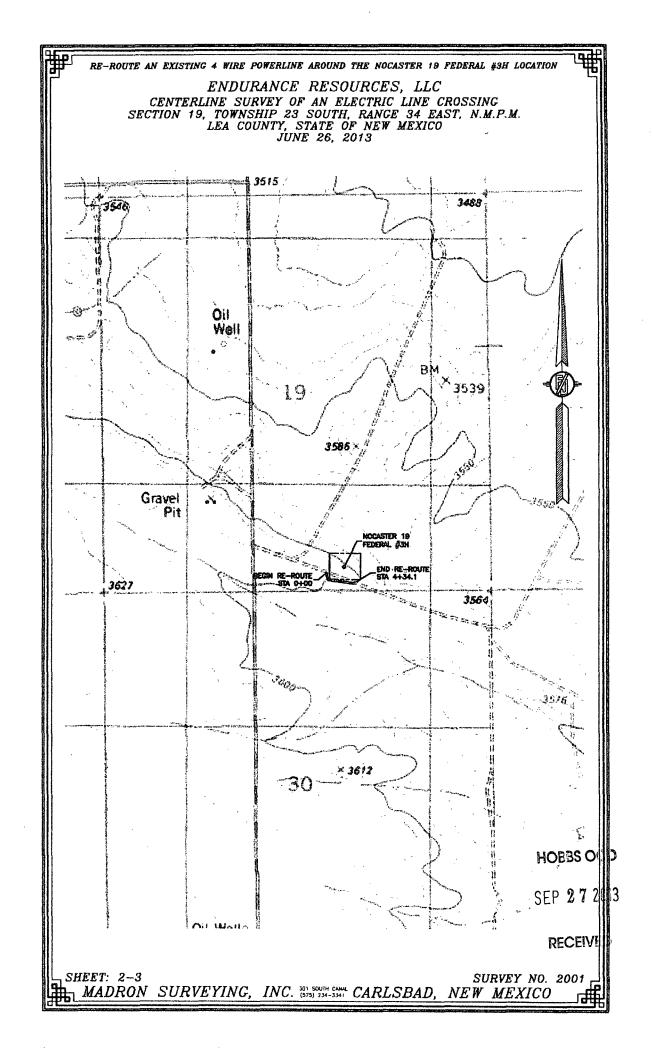
THE NOCASTER FLOWLINE CONNECTING THE NOCASTER 19 FEDERAL #3H & #4H ENDURANCE RESOURCES, LLC CENTERLINE SURVEY OF A PIPELINE CROSSING SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JULY 3, 2013 17 BC 1918 BC 1913 N89"36"17"E 2606.08 FT N89"36"17"E 2606.08 FT 24 1000 SEC 19 $T.23S., \mid R.34E.$ STATE žš. ž N89739'35' NOCASTER 19 FEDERAL #3H FEDERAL & 19 1 20 24 \$89°36'05"W 2640.78 FT 2581.77 FT 589°35'07"W BC 1916 25 30 29° 30 DESCRIPTION A STRIP OF LAND 30 FEET WEDE 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 SW/4 SE/4 OF SAID SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S51"56"51"W, A DISTANCE OF 835.00 FEET; THENCE NB9"39"35"E A DISTANCE OF 1535.12 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE SOO"00"14"E A DISTANCE OF 180.10 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 \$54"01"08"E, A DISTANCE OF 553.74 FEET; SAID STRIP OF LAND BEING 1715.22 FEET OR 103.95 RODS IN LENGTH, CONTAINING 1.181 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS: 659.70 LF. 1055.52 LF. 39.98 RODS 63.97 RODS SW/4 SE/4 SE/4 SE/4 0.454 ACRES 0.727 ACRES HOBBS OCD SEP 27 2013 SURVEYOR CERTIFICATE RECEIVED), 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. GENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT. IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, 2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES. MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341 SHEET: 1-3 SURVEY NO. 2007 MADRON SURVEYING, CARLSBAD, NEW MEXICO

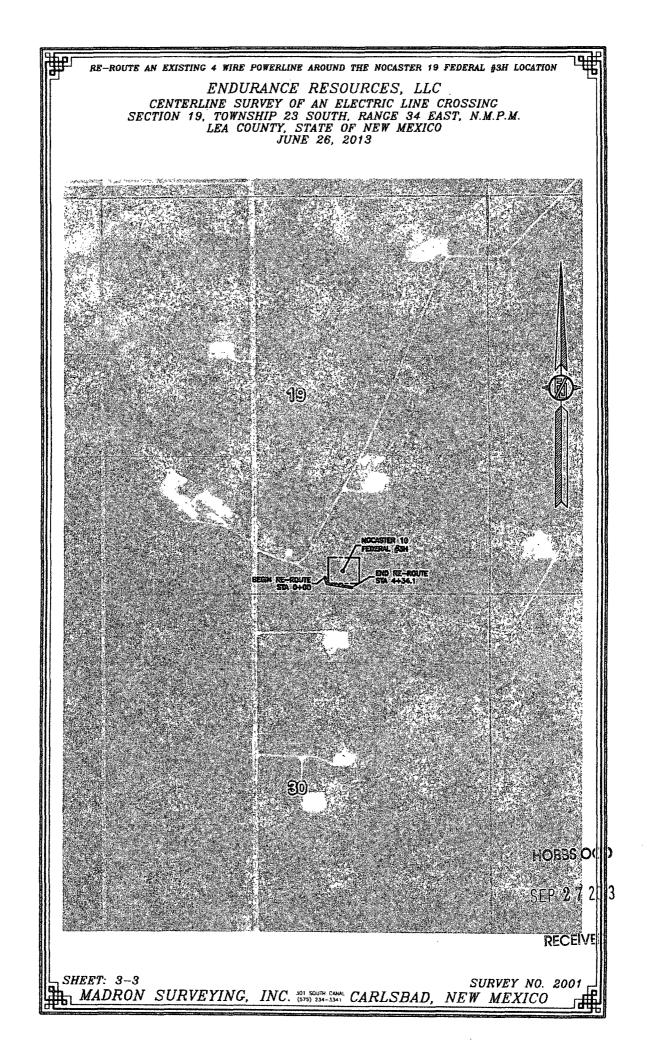




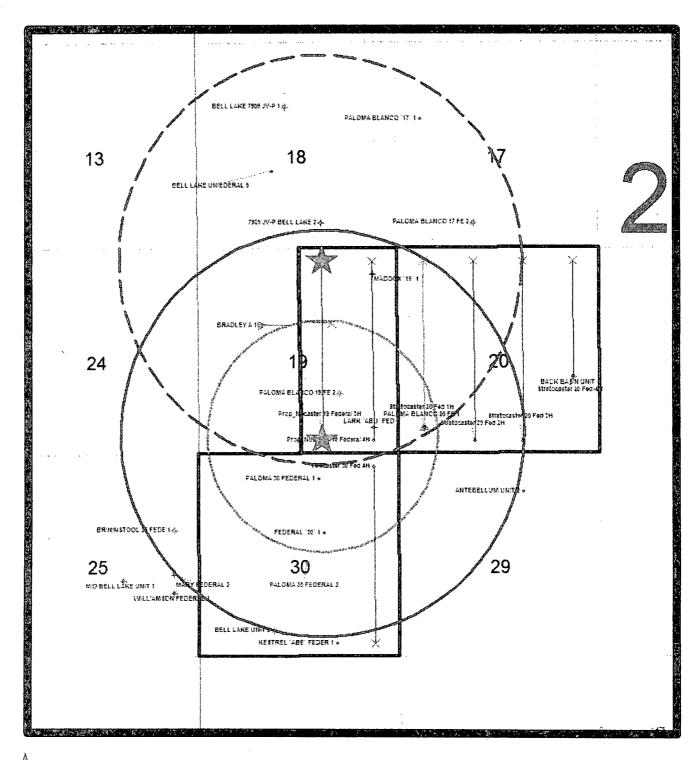
SHEET: 3-3
SURVEY NO. 2007
MADRON SURVEYING, INC. 501 SOUTH CAMAL CARLSBAD, NEW MEXICO

RE-ROUTE AN EXISTING 4 WIRE POWERLINE AROUND THE NOCASTER 19 FEDERAL #3H LOCATION 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 BC 1913 17 BC 1918 18 2606.08 FT N89'36'17"E 2606.08 FT N89*36'17"E 1 20 19 24 19 1000 SEC 19 T.23S., R.34E.BC 1913 STATE NOT TO SCALE EXISTING 4/W OVERHEAD ELECTRIC ANCHOR NOCASTER 19 FEDERAL #3H PAD STA 0+00 BEGIN RE-ROUTE EXISTING 4/W OVERHEAD POWER LINE EXIST. 4/W IS CAUGHERD. FI FCTRIC STA 0+93.6 PI LEFT - POLE #1 STA 2+83.7 POLE #2 STA 4+34.1 END RE-ROUTE AT POLE ON EXISTING 4/W OVERNEAD POWER LINE Ü Ы 1 20 24 1 15 29 1912 2581.77 FT 589"36'05"W 2640.78 FT 1916 25 30 30 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 SW/4 SE/4 OF SAID SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS 559"05"35"W, A DISTANCE OF 469.89 FEET; THENCE \$19"33"41"E A DISTANCE OF 93.64 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;
THENCE \$81"57"28"E A DISTANCE OF 340.51 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTH QUARTER CORNER
OF SAID SECTION 19, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS \$82"13"00"W, A DISTANCE OF 778.86 FEET; SAID STRIP OF LAND BEING 434.16 FEET OR 28.31 RODS IN LENGTH, CONTAINING 0.299 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS: HOBBS O SW/4 SE/4 434.16 LF. 26.31 RODS 0.299 ACRES SEP 2720 RECEIVE 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 AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELLEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO. GENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT. IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, 2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES. NEW MEXICO, THIS 30 DAY OF JUNE 2013 MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341 SHEET: 1-3 PHACO SURVEY NO. 2001 MADRON SURVEYING, INC. 507 SOUTH CAME CARLSBAD NEW MEXICO





Nocaster 19 Federal 3H



Surface Location

Bottom Hole Location

H2S 3000' Radius

Bottom Hole 5280' Radius

Surface 5280' Radius

HOBBS OCD

SEP 27 2013

RECEIVED