

HOBBS OCD

30-025-41455

SEP 2 6 2013

RECEIVED

ENDURANCE RESOURCES LLC

MULTIPOINT SURFACE USE AND OPERATIONS PLAN

TELECASTER 30 FED #3H

SHL: 330' FNL & 1980' FEL

BHL: 330' FSL & 1980' FEL

SEC 30-23S-34E

LEA COUNTY, NM

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

Directions:

From the intersection of State Highway 128 and CR 21 (Delaware Basin) go north on CR 21 approx. 5.0 miles. Go east on caliche road approx. 935' to Chevron's Paloma 30 Fed #1 location. Proposed location is approx. 350' northeast.

1. Existing Roads:

- The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102, page 1. This well was staked by Madron Surveying Inc. from Carlsbad, NM.
- Page 4 of the C-102 packet contains is a Vicinity map showing the well and roads in the vicinity of the proposed location. The proposed well site and the access route is labeled in orange & blue. The proposed well site and the access route to location are indicated on the Site map (page 2) of C-102 packet. ROW using this existing route is being requested if necessary to use Chevron's existing access road off of CR-21 to their Paloma 30 Fed #1 location.
- 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 to Chevron's Paloma 30
 Fed #1 location. Access to this location is by way of SW corner of the proposed Telecaster 30 Fed

OCT 2 2 2013



#3H that will set against the existing Paloma 30 Fed #1 location. Chevron's production equipment is set on the south side so no obstructions are in the way to access the proposed Telecaster 30-3H. 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.
- In the event this well is found productive, (1) flow line will be trenched & buried to the proposed Telecaster 30 Fed 4H battery. This flow line is to be laid following the existing road from the north side of this pas location. A strip of land 30ft wide crossing BLM land in Sec 30-23S-34E & being 15ft on each side is being requested for ROW. Total distance of this flow line will be ~1,566'. Endurance Resources requests to lay (1) buried 4" poly flex flow line this distance to the Telecaster 30-4H battery. This line is expected to carry 800 BOPD, 600 MCFD, & 1200 BWPD at 125psi. See attached plat labeled "The Telecaster flowline connecting the Telecaster 30 Fed #1H, #2H, #3H & #4H" (contains 5 pages). **Endurance Resources LLC is only requesting the flowline ROW from the Telecaster #3H to the 4H battery at this time.
- 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 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 (submitted in the Nocaster 19-3H APD). The electrical line for the Telecaster 30-3H will then tie into this re-routed powerline off the SW corner of the proposed Nocaster 19-3H. See attached plat labeled "An electrical line to connect the Telecaster 30 Fed #3H" for more information (4 pages). ROW for this electrical line is being requested.

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling
program). The water will be obtained from commercial water stations in the area and hauled to
location by transport truck using existing roads. On occasion, water will be obtained from a preexisting 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 Layout:

- Attached is the proposed well site layout with dimensions of the pad layout & topsoil pile.
- Mud pits in the active circulating system will be steel pits and a closed loop system will be utilized. Endurance Resources LLC will comply with the NMOCD requirements 19.15.17 and submit a 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.
- If the well is a producer, those areas of the location not essential to production facilities will be reclaimed & seeded per BLM requirements.



10. Plans for Surface Reclamation:

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

11. Surface Ownership:

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

12. Other Information:

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



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

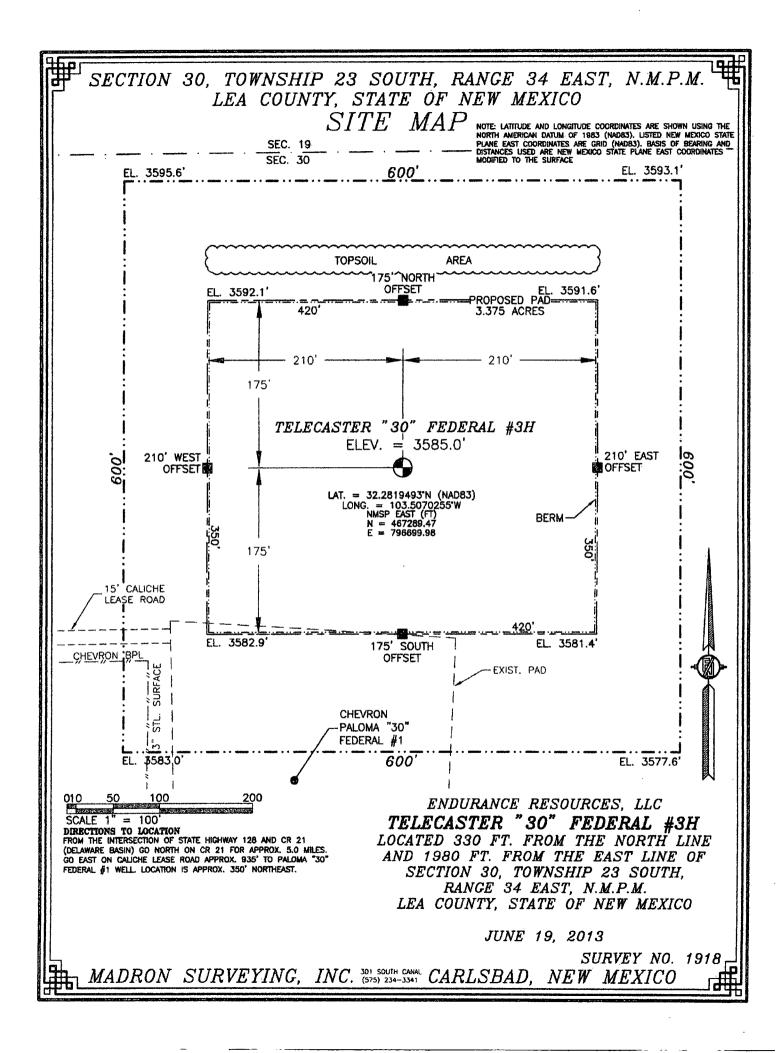
Certification:

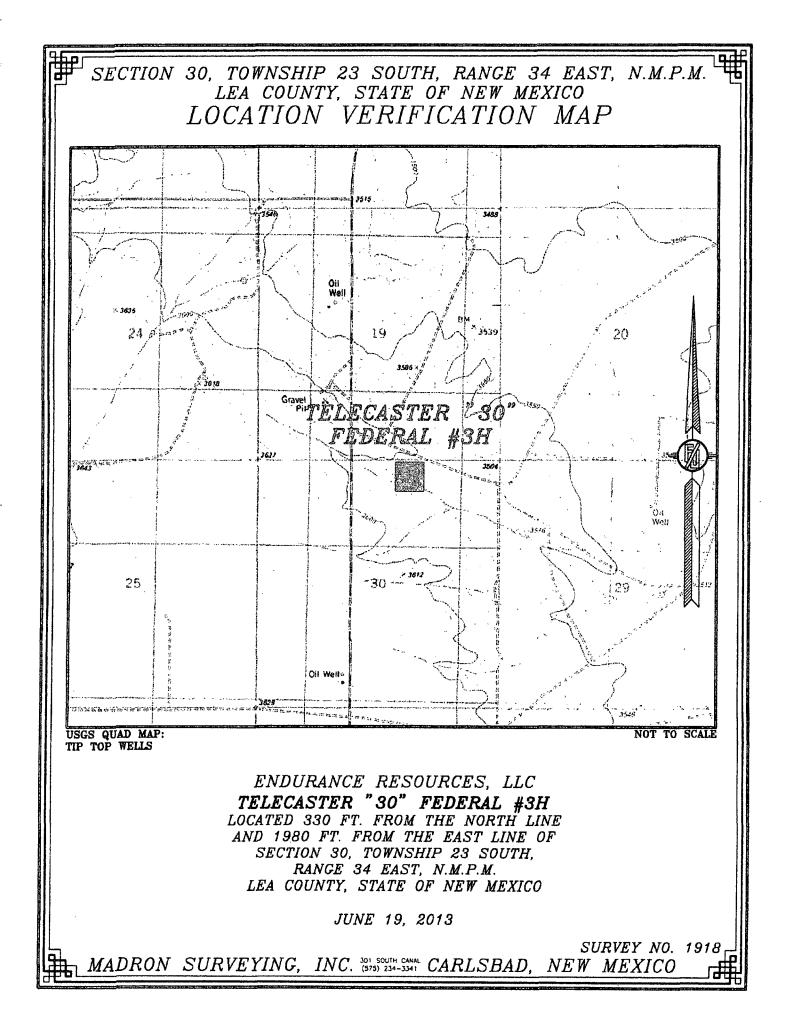
I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in 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.

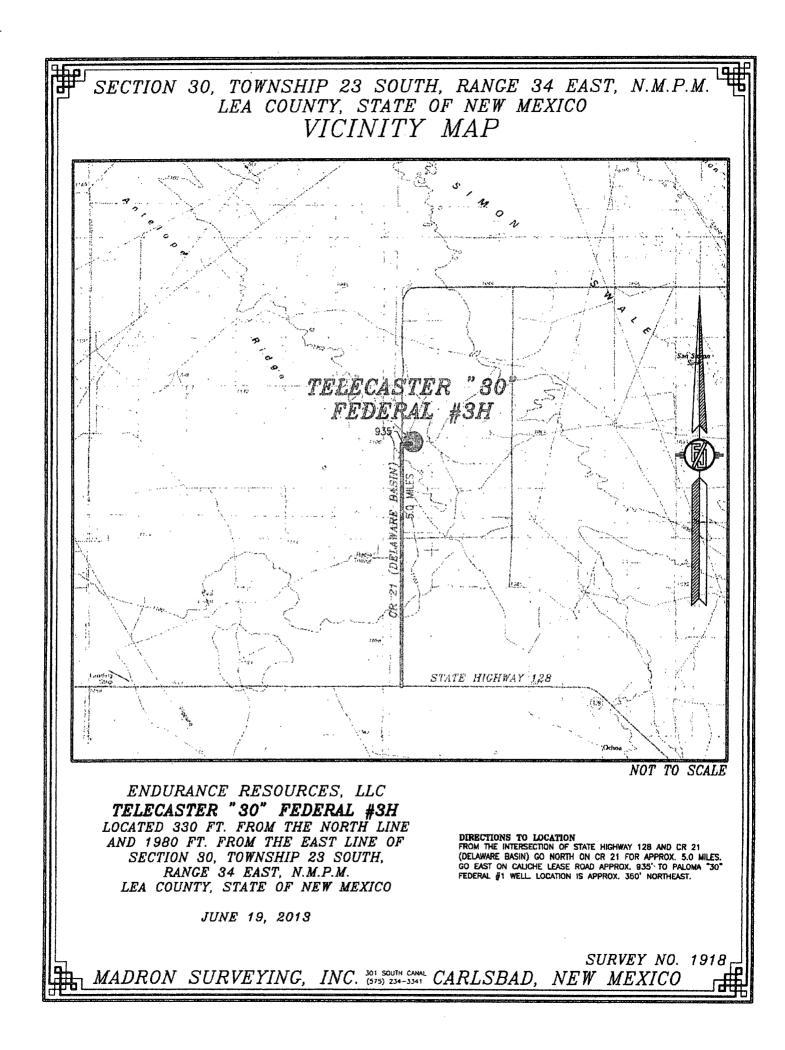
7/9/2013

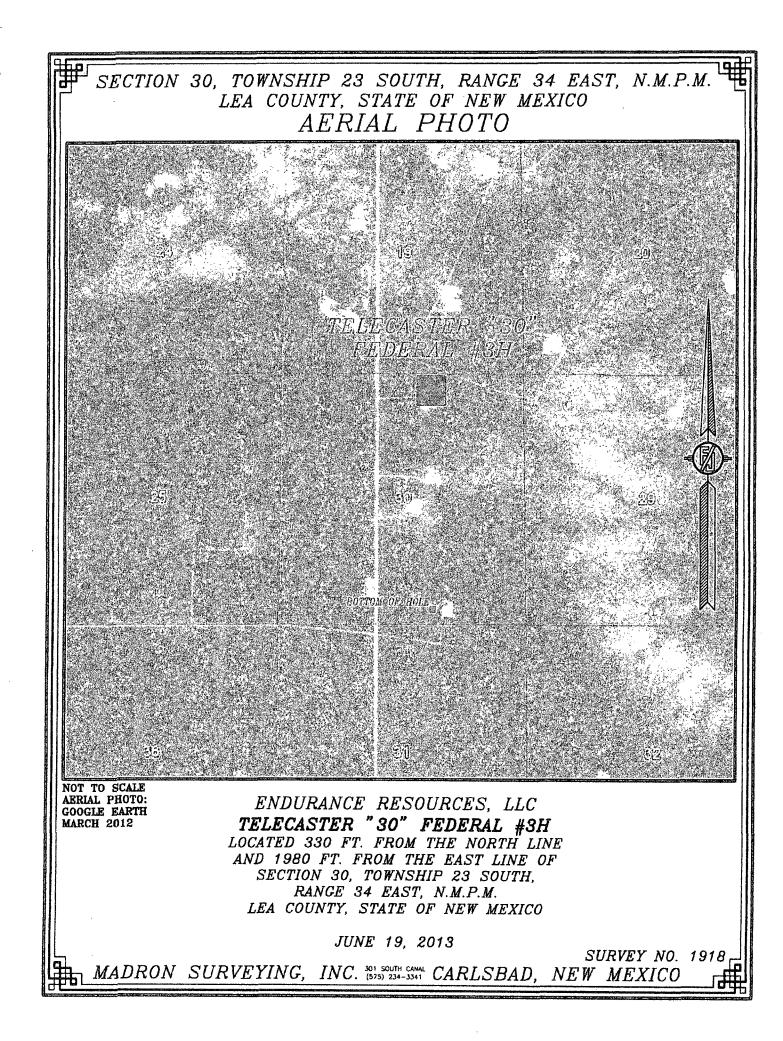
Date

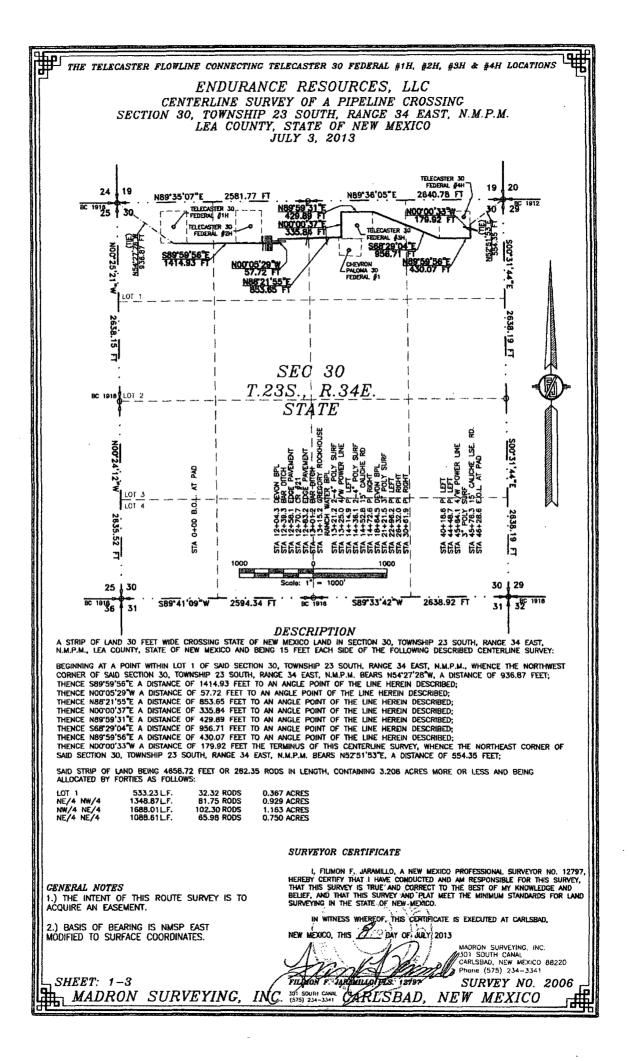
Kale Jackson Sr Completions Engineer Endurance Resources LLC kale@enduranceresourcesllc.com

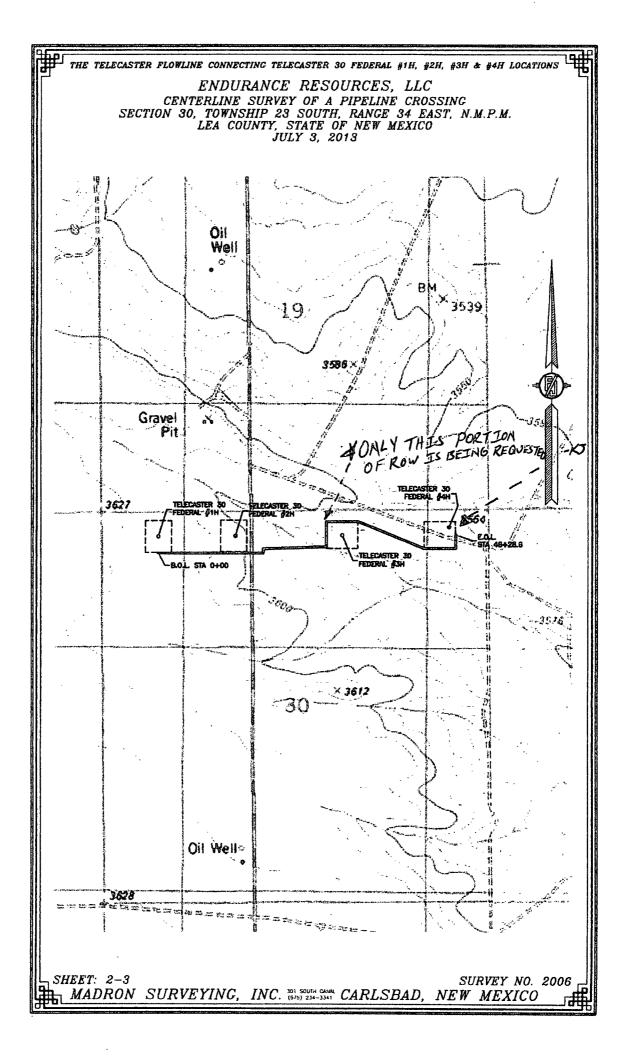


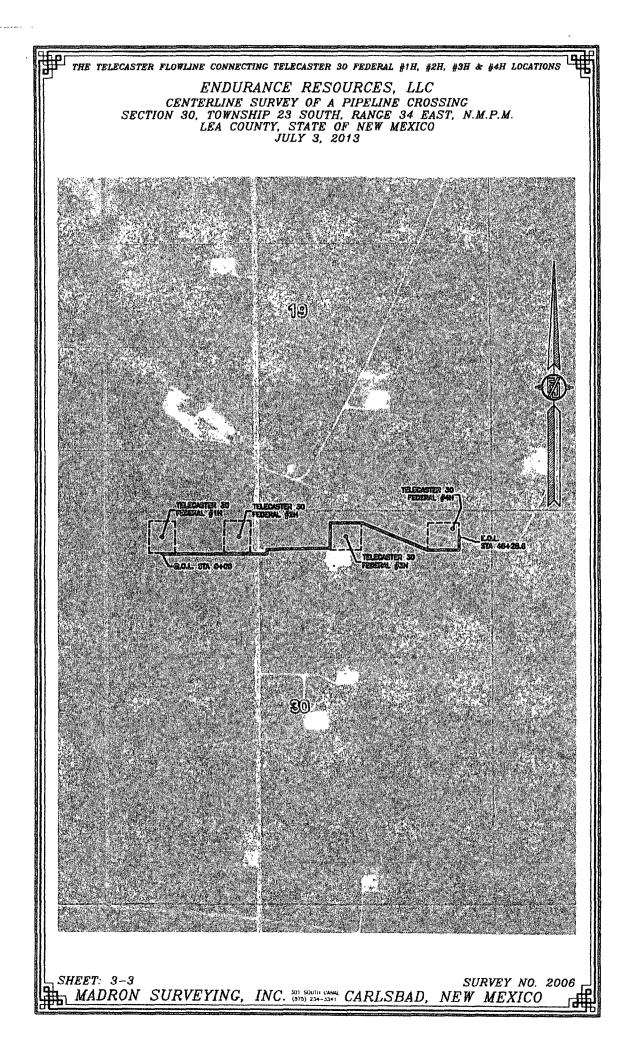


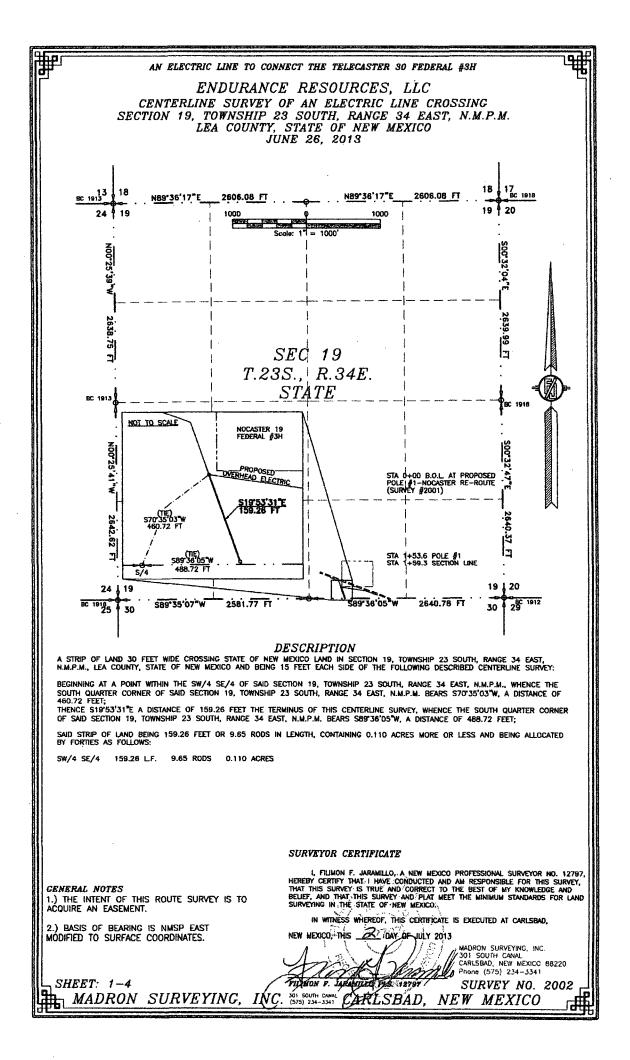


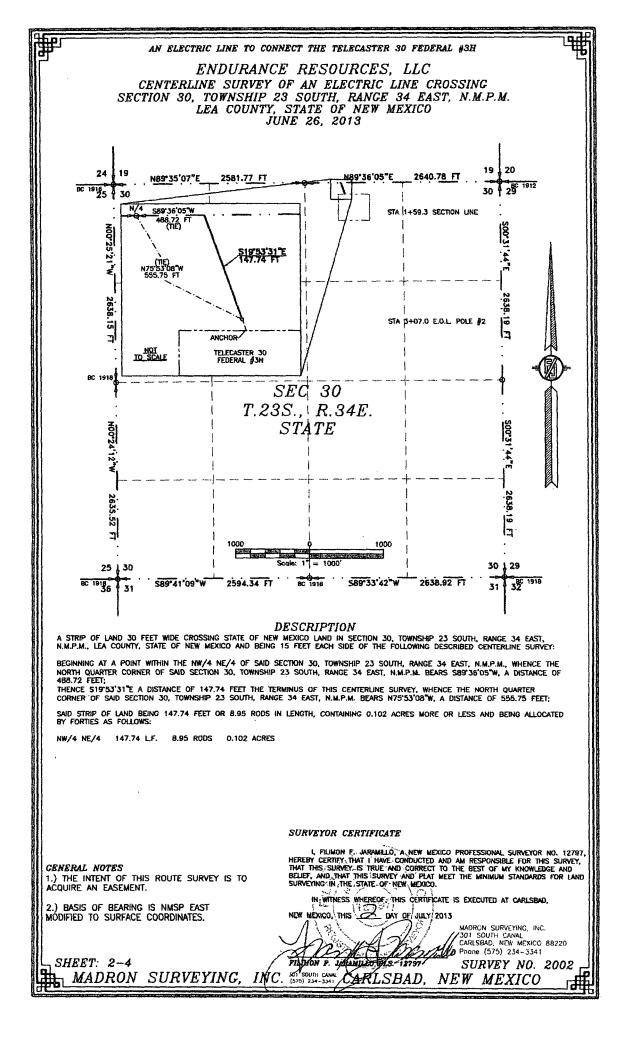


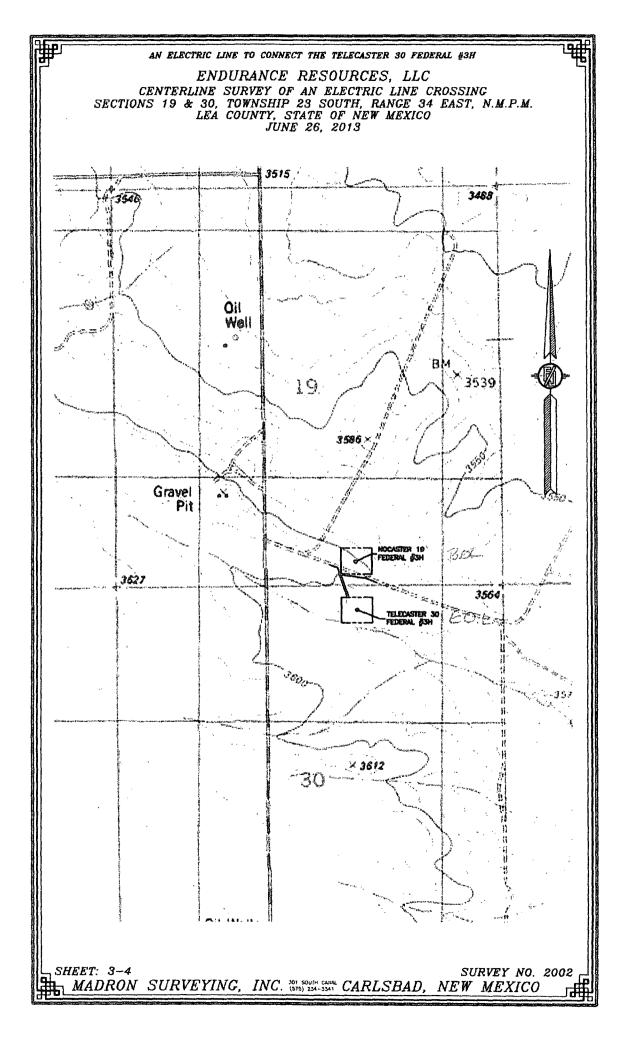


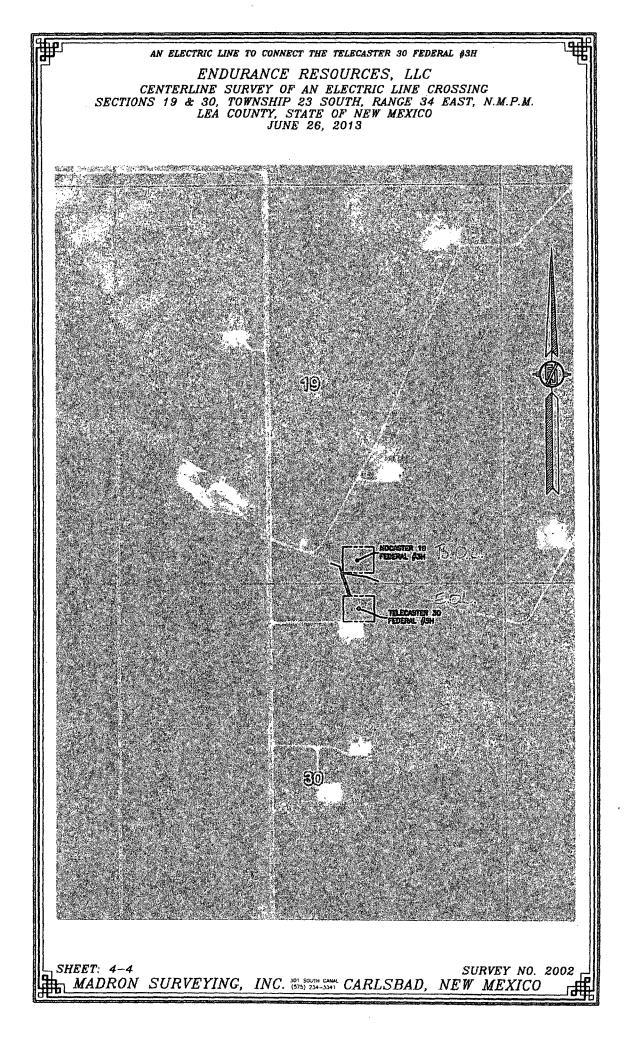


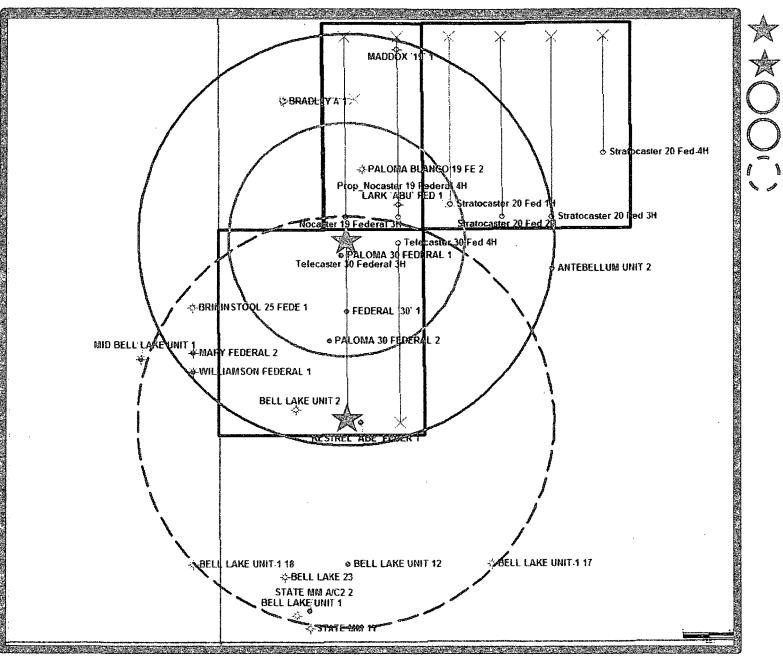












Surface Location Bottom Hole Location H2S 3000' Radius

Surface 5280' Radius

Bottom Hole 5280' Radius

Telecaster 30 Federal 3H