

DATE IN 07/08/14	SUSPENSE	ENGINEER <i>[Signature]</i>	LOGGED IN 07/10/14	TYPE SWD	APP NO. PRG 1420662175
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☒ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____

Endurance Resources
 LLC
 Momentum 36 State #1
 30-025-37517

Delaware

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☒ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

RECEIVED OOD
 2014 JUL - 8 P 1:52

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Ben Stone	<i>[Signature]</i>	Agent for Endurance Resources, LLC	7/05/14
Print or Type Name	Signature	Title	Date
		ben@sosconsulting.us	
		e-mail Address	



July 7, 2014

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attn: Ms. Jami Bailey, Director

Re: Application of Endurance Resources, LLC to permit the Momentum '36' State No.1 for salt water disposal, located in Section 36, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Ms. Bailey,

Please find enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request to convert for disposal, the Momentum '36' State Well No.1.

Endurance Resources seeks to optimize efficiency, both economically and operationally, of its operations. Approval of this application is consistent with that goal as well as the NMOCD's mission of preventing waste and protection of correlative rights.

Of particular note with this project, this conversion to SWD is part of a larger effort to accommodate the produced water expected to be generated by Endurance's upcoming efforts to drill and complete several horizontal producers in the area. The wells will be completed in various Bone Spring Pools in the area and are expected to yield several thousand barrels of oil per month.

Published legal notice ran in the July 1, 2014 edition of the Hobbs Daily News-Sun and all offset operators and other interested parties have been notified. The legal notice affidavit is included in this application package. This application also includes wellbore schematics, area of review maps, leaseholder plats and other required information for a complete Form C-108. The well is located on state land and minerals and a copy of this application has been submitted to the State Land Office.

I respectfully request that the approval of this salt water disposal well proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

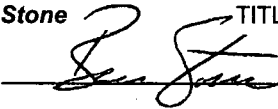
Ben Stone, Partner
SOS Consulting, LLC
Agent for Endurance Resources, LLC

Cc: Application attachment and file

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: ***Salt Water Disposal – Application Meets Qualifications for Administrative Approval.***
- II. OPERATOR: ***Endurance Resources, LLC.***
ADDRESS: ***P.O. Box 1466, Artesia, NM 88211***
- CONTACT PARTY: ***Randall Harris (575) 308-0722***
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III. WELL DATA: ***All well data and applicable wellbore diagrams are attached hereto.***
- IV. ***This is not an expansion of an existing project.***
- V. ***A map is attached*** that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- *VI. ***A tabulation is attached*** of data on all wells of public record within the area of review which penetrate the proposed injection zone. ***The data includes*** a description of each well's type, construction, date drilled, location, depth, and a schematic of any plugged well illustrating all plugging detail. ***There are NO wells within the ½-mile Area of Review.***
- VII. ***The following data is attached*** on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. ***Appropriate geologic data on the injection zone is attached*** including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. ***The disposal interval may be acidized w/ 5000 gallons HCl upon completion.***
- *X. ***There is no applicable test data on the well however, any previous well logs (3 well logs available via OCD Online)*** have been filed with the Division and they need not be resubmitted. ***A log strip across proposed interval included.***
- *XI. ***State Engineer's records indicates that there are NO domestic water wells within one mile the proposed salt water disposal well.***
- XII. ***An affirmative statement is attached that available geologic and engineering data has been examined and no evidence was found*** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. ***"Proof of Notice" section on the next page of this form has been completed. NM State Land Office and BLM (Offset)***
There are 4 offset lessees within one mile - all have been noticed via U.S. Certified Mail.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: ***Ben Stone*** TITLE: ***SOS Consulting, LLC agent / consultant for Endurance Resources, LLC***

SIGNATURE:  DATE: ***7/05/2014***

E-MAIL ADDRESS: ***ben@sosconsulting.us***

- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal:

III. WELL DATA – *The following information and data is included:*

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE *pursuant to the following criteria is attached.*

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

CURRENT CONFIGURATION

PLUGGED WELL SCHEMATIC Momentum '36' State Well No.1

API 30-025-37517

1650' FSL & 2310' FWL, SEC. 36-T25S-R35E
LEA COUNTY, NEW MEXICO

Spud Date: 2/21/2006

P&A Date: 4/02/2006

Well plugged by:
Momentum Energy Corp.

<PLUGGING ITEMS LISTED LEFT>

PLUGS:

Spot Cmt
660'-0'

P&A Marker

G.R. 3072'

<PRE-P&A EXISTING ITEMS LISTED RIGHT>

Surface Casing

13.375", 48.0# Csg. (17.5" Hole) @ 549'
475 sx - Circulated to Surface

Intermediate Casing

9.625", 40.0# Csg. (12.25" Hole) @ 5028'
1300 sx - Circulated to Surface

105 @ 530'

Spot 200' Cmt
1900' - 1700'

Spot 250 sx
5300' - 4500' (Tag)

5028'

TDEL 5090'

LWR DEL 7050'

Spot 105 sx
7500'-7300'

Circ w/ 9.4# Mud
(Previous Day / Logging)

Spot 100 sx
9700'-9500'

DTD @ 9700'

BSPG 8742'

<P&A SUBSEQUENT SUNDRY>

State of New Mexico Energy, Minerals and Natural Resources OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505		Form C-103 May 27, 2004
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PRODUCE TO SURFACE OR TO BE USED ON PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" FORM C-101 FOR SUCH PURPOSES.)		WELL API NO. 30-025-37517 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEDERAL <input type="checkbox"/> 6. State Oil & Gas Lease No. 55160
1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. Lease Name or Unit Agreement Name Momentum '36' State
2. Name of Operator Momentum Energy Corporation		8. Well Number 227092
3. Address of Operator P.O. Box 1398, Midland, TX 79702		9. Cased Number 227092
4. Well Location Unit Letter: K Section: 36 Township: 25S Range: 15E NMPN: Lea County:		10. Pool name or W/Unit Wildcat Bone Spring
11. Elevation (Show whether J.R., R.R., RT, GR, etc.) 3072'		
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RENEWAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLATES <input type="checkbox"/> COMMENCE DRILLING OPER. <input type="checkbox"/> P&A <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL. <input type="checkbox"/> CASING/SEGMENT JOB <input type="checkbox"/> OTHER <input type="checkbox"/>		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103 For Multiple Completions. Attach wellbore diagram of proposed completion or completion.

04/01/06 Day 39. Present Operation: Wait on cement. Depth: 9700', footage: 0'. Activity past 24 hrs. Trip in hole with drill collars. Cut drill line. RU lay down machine. Lay down drill collars. THH open ended to set cement plugs. P: 20 jts. Tag bottom. RT Halliburton to pump cement plugs. Set 100 sx plug from 9700' to 9500'. LD drill pipe. Set 105 sx plug from 7500' to 7300'. LD drill pipe. Set 250 sx plug from 5300' to 4900'. POOH: 10 rounds. Pump 10 bbls through Kelly. Wait on cement.
DC: \$28,793 AC: \$1,954,410

04/02/06 Day 40. Present Operation: Rg released @ 11:00 p.m. 4/1/06 Activity past 24 hrs: Wait on cement THH & tag cement plug @ 4500'. L/D & B pipe. Set cement plug @ 1700' to 1500'. LD drill pipe. Set cement plug @ Surface to 660'. PU & break Kelly. LD drill pipe. NU BOPS. Cut off 13-5/8" head. Weld plate on 9-5/8" casing & dry hole marker. Well P&A. Rig down.
DC: \$65,053 \$2,070,467

I hereby certify that the information shown is true and complete to the best of my knowledge and belief. I further certify that any plug or below-grade work has been tested by measurement or tested according to NMOG guidelines, a pressure test or an alternative alternative OGD approved plan.

SIGNATURE: *Russ Mathis* TITLE: *Consultant* DATE: 6/14/06
Type or print name: Russ Mathis E-mail address: consultant@momentumenergy.com Telephone No: 432-842-0595
For State Use Only: *OC DISTRICT SUPERVISOR/GENERAL MANAGER* JUL 2 1 2007
APPROVED BY: *Chris Williams* TITLE: DATE:
Conditions of Approval (if any):

Production Casing - NEVER SET

Drilled as Wildcat Bone Spring - non-economic
(8.75" Hole Size)



Drawn by: Ben Stone, 6/26/2014



WELL SCHEMATIC - PROPOSED Momentum '36' State Well No.1 SWD

API 30-025-37517

1650' FSL & 2310' FWL, SEC. 36-T25S-R35E
LEA COUNTY, NEW MEXICO

P&A Date: 4/02/2006

Re-Entry Date: ~9/01/2014

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported
1410 psi Max

Surface Casing

13.375", 48.0# Csg. (17.5" Hole) @ 549'
475 sx - Circulated to Surface

ENDURANCE RESOURCES, LLC

Convert to SWD: D/O & C/O Existing Plugs to 7650'.

Run & Set New 5-1/2" - Set @ 7600'

Cement w/ ~2100 sx - Circulate to Surface. ✓

Spot 30 sx Cmt 7650' - 7580' for BH integrity.

Perf 7050' to 7500' as specified by rep.

Run PC Tubing and PKR - Conduct MIT.

Commence Disposal Operations.

Annulus Loaded
w/ Inert Packer Fluid

Intermediate Casing

9.625", 40.0# Csg. (12.25" Hole) @ 5028'
1300 sx - Circulated to Surface

T/DEL: 5060'

2.875" IC Tubing
PKR ~6955'

LWR DEL: 7050'

Perfs: 7050'-7500'
(Max Top/Btm)

Spot 30 sx Cmt
Apprx. 7650' - 7580'

Existing Plug
9700'-9500'

DTD @ 9700'

BSPG: 8742'

NEW Production Casing

5.5", 17.0# Csg - Surface to 7600'

Est. ~2100 sx w/ excess - Circulate to Surface
(No CBL if Circulated.)

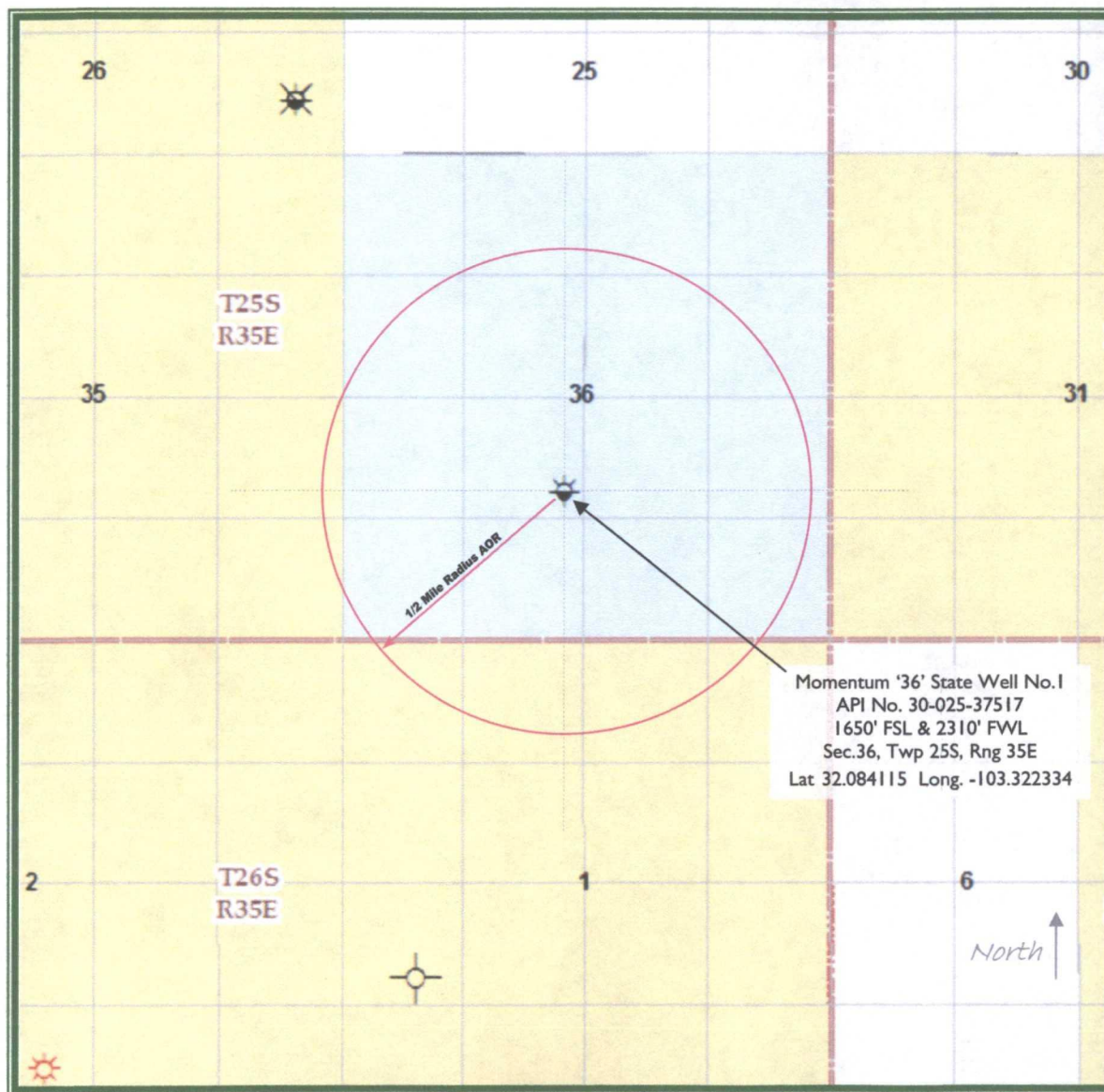
TOC @ 530'
Momentum Daily 03/09/06
TS shows TOC @ 530'



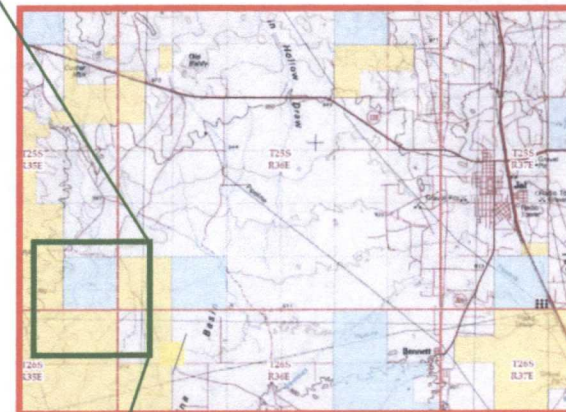
Drawn by: Ben Stone, 06/26/2014

Momentum '36' State Well No.1 - Area of Review / Overview Map

(Attachment to NMOCD Form C-108 - Item V)



9.2 miles W/SW of Jal, NM



Lea County, New Mexico



C-108 ITEM VI – AOR WELL INFORMATION

**There are no wells within the one-half mile radius
Area of Review.**

C-108 ITEM VII – PROPOSED OPERATION

The Momentum '36' State Well No.1 SWD will be operated as a private disposal facility for Endurance Resources, LLC wells only. This well is part of a multi-well SWD system to facilitate disposal of Bone Spring produced water from the company's existing wells and projects. (Samples are included in this application from Delaware and Bone Spring indicating formation waters - chlorides and TDS are relatively compatible.)

The system will be closed utilizing a tank battery facility located at the well site to accommodate all produced water. Pipelines will be laid from some current and future wells owned and operated by Endurance Resources.

Injection pressure will be 1410 psi with rates limited only by that pressure. In the future, Endurance may opt to conduct a step rate test if it is determined that greater rates may be required. This would be submitted to OCD as a request to increase the injection pressure.

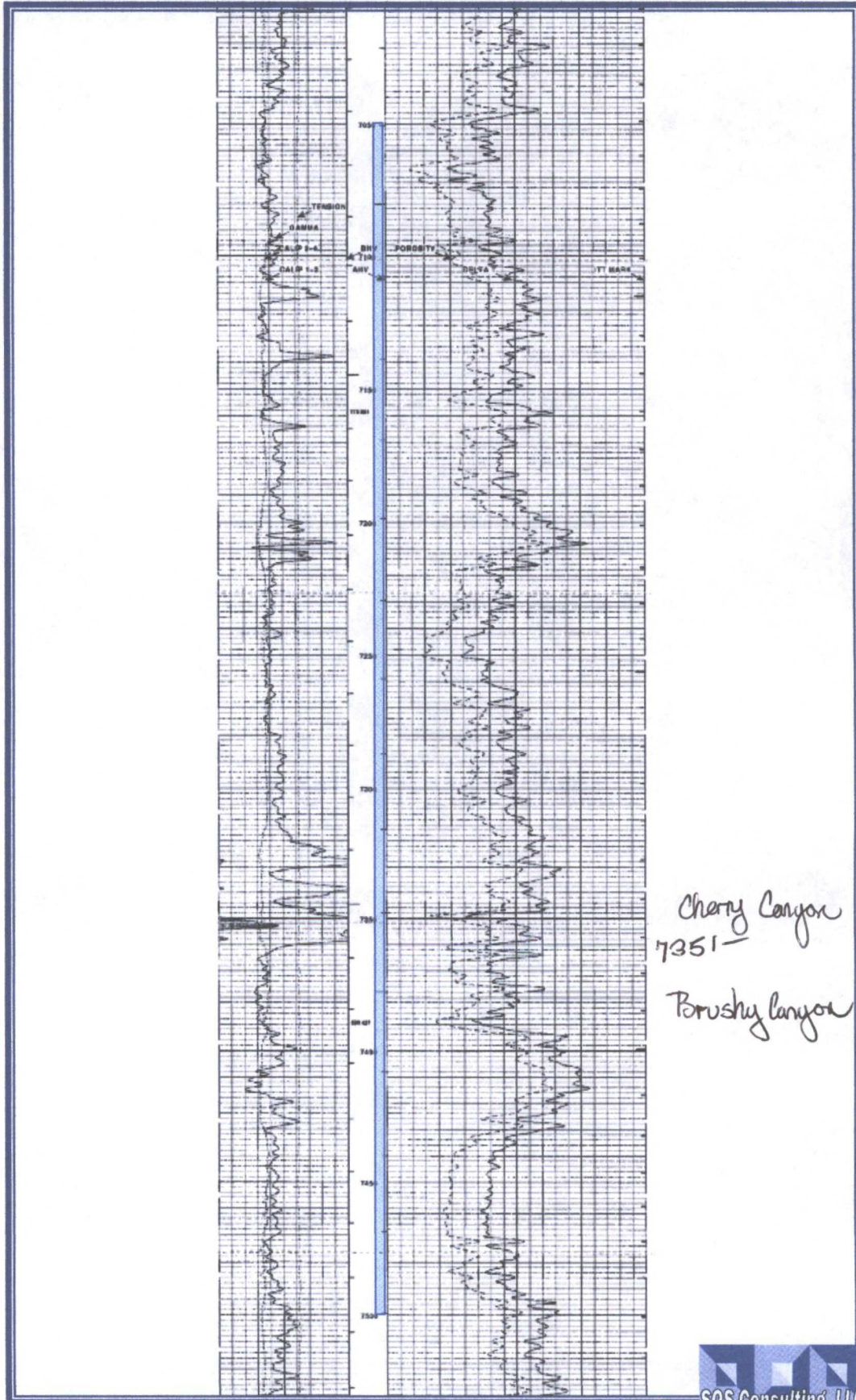
Routine maintenance will be ongoing and any releases will be reported within 24 hours to OCD on form C-141 pursuant to various portions of 19.15.30 NMAC.

The facility will not be manned but will be available for inspections at any time deemed necessary by OCD.

Momentum '36' State No.1 SWD

Log Strip with Top to Bottom Interval

Perforate Intervals Between 7050' and 7500' as Specified by Company Rep on Location



Cherry Canyon
7351'

Brushy Canyon

C-108 - Item VII.4

Water Analysis - Disposal Zone - DELAWARE

(Representative of Delaware Formation Water in Area)

WATER ANALYSIS REPORT

Company : YATES PET.
Address : ARTESIA
Lease : MEDANO BA ✓ A
Well : 1
Sample Pt. : WELLHEAD

Date : 10-22-90
Date Sampled : 10-19-90
Analysis No. : 1

ANALYSIS		mg/L	* meq/L
1. pH	7.1		
2. H2S	POS		
3. Specific Gravity	1.085		
4. Total Dissolved Solids		115832.4 ✓	
5. Suspended Solids		NR	
6. Dissolved Oxygen		NR	
7. Dissolved CO2		NR	
8. Oil In Water		NR	
9. Phenolphthalein Alkalinity (CaCO3)			
10. Methyl Orange Alkalinity (CaCO3)			
11. Bicarbonate	HCO3	207.0	HCO3 3.4
12. Chloride	Cl	68799.0	Cl 1940.7
13. Sulfate	SO4	1750.0	SO4 36.4
14. Calcium	Ca	1480.0	Ca 73.9
15. Magnesium	Mg	268.2	Mg 22.1
16. Sodium (calculated)	Na	43328.2	Na 1884.7
17. Iron	Fe	0.0	
18. Barium	Ba	0.0	
19. Strontium	Sr	0.0	
20. Total Hardness (CaCO3)		4800.0	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
74: *Ca <----- *HCO3 : 3	Ca(HCO3)2	81.0	3.4 275
22: *Mg -----> *SO4 : 36	CaSO4	68.1	36.4 2480
1885: *Na -----> *Cl : 1941	CaCl2	55.5	34.0 1888
	Mg(HCO3)2	73.2	
	MgSO4	60.2	
	MgCl2	47.8	22.1 1050
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	1884.7 110139
BaSO4 2.4 mg/L			

REMARKS:

Patrolite Oilfield Chemicals Group

Respectfully submitted,
L MALLETT

U



Requested by: T. Ratliff

Laboratory Analysis

Endurance

Jazzmaster 17 State #4H

Sample Date: 1/31/2014

Lea Co. NM

Water Analysis Measurements				Cations (+)	mg/L	Anions (-)	mg/L
Oxygen (mg/L)	1.00	Oil in Water (ppm)	n/a	Barium (Ba)	0	Carbonate (CO ₃)	0
Carbon Dioxide (mg/L)	699.16	Specific Gravity	1.150	Calcium (Ca)	16,440	Bicarbonate (HCO ₃)	36.60
Hydrogen Sulfide (mg/L)	0.0	Total Dissolved Solids (TDS)		Magnesium (Mg)	380	Chloride (mg/L)	118,520
pH	5.7	(mg/L) Calc	189,969 ✓	Sodium (Na) Calc	54,270	Sulfate (SO ₄)	319
Temperature °F	73	Total Hardness (mg/L)	18,000	Iron (Fe)	3.00		
				Manganese (Mn)	0.00		

Scaling Potential: Stiff Davis Scale Indicator (SDI)

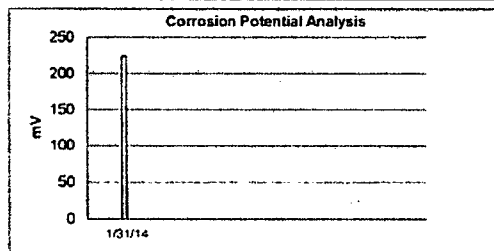
[illegible]

Negative SDI = no scaling potential

Positive SDI = scaling potential (scale can form and precipitate)

SDI close to zero = borderline scaling potential

Corrosion Potential: ORP Analysis (mV)

[illegible]

Negative numbers indicate the potential for severe corrosion.

Red & Negative Corrosion
Yellow & Positive Scale

C-108 ITEM VIII - GEOLOGIC INFORMATION

Nance & Kearns

Disposal will be into the Lower Delaware formation.

Both recognize group
status with three
formations - well's interval
is Cherry
Canyon & Brushy
Canyon Fms

The Delaware is composed predominately of sandstones and shales. All the Delaware members are interbedded, poorly consolidated, light gray sandstones and shales with occasional dense dolomite horizons. The lateral transmissivities of the sandstone beds are highly variable and often forms elective barriers to the movement of hydrocarbons while allowing down-gradient movement of water. The transmissivity variations are fundamentally due to the very-fine grained nature of the sands and the local percentage of silt and clay. The Delaware sandstone members are typically overlain and underlain by bounding shale, dolomite and/or silty shale horizons.

The top of the Delaware in this area is generally 5000' to 5100' with the lower portions coming in about 7000'. Production quality porosity in these intervals is accompanied by low resistivity yielding high water saturations.

Fresh water in the area is generally available from the Santa Rosa formation. State Engineer's records show water wells in the area to have an average depth of 240 feet.

There are no water wells located within one mile of the proposed SWD.

HC Potential: Federal Mounsey "C" No.1 (20-T25S-R35E)
tested Bell Canyon/Ramsey sand - P&A

Federal "A" No.1 (1-T26S-R35E)
tested Bell Canyon/Lamar - no shows - P&A

Well excludes portion of Brushy Canyon above
Bone Spring (7500' to 8742' ~1300' of lower Brushy)
see Dinwiddie 23 Fed. No.1 below.

Closest Pools: Jal, Delaware Sec 24, T25S, R36E

: Wildcat - NE 1/4 of Sec 23, T25S, R35E. (Pool Code 97779)

Dinwiddie 23 Federal No.1 (30-025-38242); perfed 8443'-8492'
DHC with Wolfcamp; production 11/61/14 - 2.5 BOPD / 1.7 McFPD / 12 BWPD

C-108 ITEM VIII – GEOLOGIC INFORMATION

Depth to Groundwater



New Mexico Office of the State Engineer Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
CP 01194 POD1	C		LE	3	3	3	06	26S	36E	659282	3548984	500	280	220
CP 01267 POD1			LE	3	4	3	06	26S	36E	659845	3548922	585	200	385

Average Depth to Water: 240 feet

Minimum Depth: 200 feet

Maximum Depth: 280 feet ✓

Record Count: 2

PLSS Search:

Section(s): 6

Township: 26S

Range: 36E

Borders Capitan UG Basing well in Carlsbad UG Basin
review of Carlsbad dataset showed no wells within one-mile also.

[Signature]

C-108 - Item XI

Water Wells Within One Mile

A search of the State Engineer's database returned 7 records in a Section 6-26S-36E however, none of the water wells fall within one mile of the proposed SWD.



New Mexico Office of the State Engineer Active & Inactive Points of Diversion (with Ownership Information)

No PODs found.

PLSS Search:

Section(s): 25, 26, 35, 36 Township: 25S Range: 35E

Carlsbad Basin

Ø wells
Closest well - Sec-21
(Santa Rosa ss)

No PODs found.

PLSS Search:

Section(s): 1, 2 Township: 26S Range: 35E

Capital Basin

No PODs found.

PLSS Search:

Section(s): 30, 31 Township: 25S Range: 36E

WR File Nbr	Sub	basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	64164	Sec	Twp	Rng	X	Y
CP 01194	CLS				0 BECKHAM RANCH INC	LE	CP 01194 POD1	C		Shallow	3	3	06	26S 36E	659281	3548984
CP 01264	EXP				0 BECKHAM RANCH	LE	CP 01264 POD1				2	1	06	26S 36E	659541	3549660
CP 01265	EXP				0 BECKHAM RANCH	LE	CP 01265 POD1				2	1	06	26S 36E	659541	3549660
CP 01267	EXP				0 BECKHAM RANCH INC	LE	CP 01267 POD1			Shallow	3	4	06	26S 36E	659845	3548922
CP 01282	PRO				0 CONCHO OIL AND GAS	LE	CP 01282 POD1			Shallow	3	4	06	26S 36E	659845	3548922
CP 01293	PRO				0 CONCHO OIL AND GAS	LE	CP 01293 POD1			Shallow	3	4	06	26S 36E	659845	3548922
CP 01294	PRO				0 CONCHO OIL AND GAS	LE	CP 01294 POD1			Shallow	3	4	06	26S 36E	659845	3548922

Record Count: 7

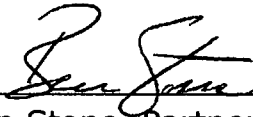
PLSS Search:

Section(s): 6 Township: 26S Range: 36E

Sorted by: File Number

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.

A handwritten signature in black ink, appearing to read 'Ben Stone', is written over a horizontal line.

Ben Stone, Partner
SOS Consulting, LLC

Project: Endurance Resources, LLC
Momentum '36' State Well No.1
Reviewed 6/26/2014

Momentum '36' State Well No.1 - Leasehold Plat

(Attachment to NMOCD Form C-108, Application for Authority to Inject.)



LEGEND

- T.1 - VB-1837-0000 – Yates Petroleum Corporation
- T.2 - VB-1836-0000 – Yates Petroleum Corporation
- T.3 - NMNM-114360 – Momentum Energy Corporation
- T.4 - NMNM-117126 – Chevron USA, Inc. and Devon Energy Production Co.
- T.5 - VB-1934-0000 – Yates Petroleum Corporation
- T.6 - NMNM-112943 – Chevron USA, Inc. and Devon Energy Production Co.

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

SURFACE OWNER

STATE OF NEW MEXICO (FedEx'ed copy)
Oil, Gas and Minerals Division
310 Old Santa Fe Trail
Santa Fe, NM 87504

OFFSET MINERALS LESSEES and OPERATORS (All Notified via USPS Certified Mail)

State Lease VB-1837-0000

Lessee

- 1 YATES PETROLEUM CORPORATION
105 S. 4TH STREET
ARTESIA, NM 88210

State Lease VB-1836-0000

Lessee

YATES PETROLEUM CORPORATION
105 S. 4TH STREET
ARTESIA, NM 88210

BLM Lease NMNM-114360

Lessee

- 2 MOMENTUM ENERGY CORPORATION
P.O. Box 3398
Midland, TX 79702

BLM Lease NMNM-117126

Lessees

- 3 CHEVRON, USA
15 Smith Road
Midland, TX 79705
- 4 DEVON ENERGY PRODUCTION COMPANY, LP
333 W. Sheridan
OKC, OK 73102

State Lease VB-1934-0000

Lessee

YATES PETROLEUM CORPORATION
105 S. 4TH STREET
ARTESIA, NM 88210

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST (cont.)**

BLM Lease NMNM-117126

Lessees

CHEVRON, USA
15 Smith Road
Midland, TX 79705

DEVON ENERGY PRODUCTION COMPANY, LP
333 W. Sheridan
OKC, OK 73102

OFFSET MINERALS OWNER

- 5 U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
811 S. First St.
Artesia, NM 88210

NEW MEXICO STATE LAND OFFICE (FedEx'ed copy)
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, NM



July 5, 2014

NOTIFICATION TO INTERESTED PARTIES
via U.S. Certified Mail

To Whom It May Concern:

Endurance Resources, LLC, Artesia, New Mexico, has made application to the New Mexico Oil Conservation Division to convert for salt water disposal its Momentum '36' State Well No.1. The proposed commercial operation will be for use by Endurance Resources, LLC. As indicated in the notice below, the well is located in Section 36, Township 25 South, Range 35 East in Lea County, New Mexico.

The disposal interval will be through existing perforations 7050 feet to 7500 feet in the Delaware formation.

Following is the legal notice published in the Hobbs News-Sun, Hobbs, New Mexico on July 1, 2014.

LEGAL NOTICE

Endurance Resources, LLC, P. O. Box 1466, Artesia, NM 88211 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to reenter and permit for salt water disposal its Momentum '36' State Well No.1. The well, API No.30-025-37517 is located 1650 FSL & 2310 FWL in Section 36, Township 25 South, Range 35 East in Lea County, New Mexico. The SWD well will be for the operator's sole use to dispose of area produced water into the Delaware formation through perforations from a top of 7050 feet to a bottom depth of 7500 feet. Maximum injection pressure will be 1410 psi with a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email info@sosconsulting.us.

You have been identified as a party who may be interested as an offset lessee or operator.

You are entitled to a full copy of the application. A full copy in PDF format on a mini-CD will be arriving within a few days of this notice. If you do not receive it, please call or email SOS Consulting, LLC at 903-488-9850, info@sosconsulting.us, and a copy will be expedited to you and may also be sent via email if preferred.

Thank you for your attention in this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone". The signature is fluid and cursive, with the first name "Ben" and last name "Stone" clearly distinguishable.

Ben Stone, SOS Consulting, LLC
Agent for Endurance Resources, LLC

Cc: Application File

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

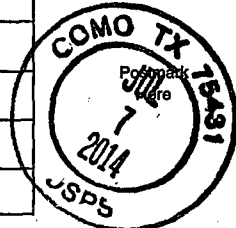
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55 5350 2000 0122 2102

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OFFICIAL USE

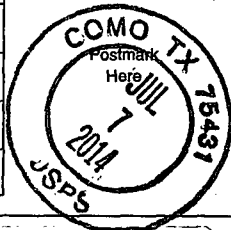
Postage	\$.49
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$6.49



Sent To
Street, Apt. N
or PO Box N
City, State, Z
YATES PETROLEUM CORP.
105 S. 4TH STREET
ARTESIA, NM 88210

For delivery information visit our website at www.usps.com
OFFICIAL USE

Postage	\$.49
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$6.49



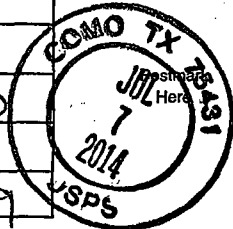
Sent To
Street, Apt. N
or PO Box N
City, State, Z
**DEVON ENERGY PRODUCTION
COMPANY, LP**
333 W. Sheridan Ave.
OKC, OK 73102

U.S. Postal Service™
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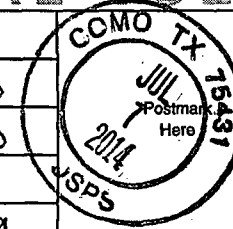
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Return Receipt Fee (Endorsement Required)	2.70
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Total Postage & Fees	\$6.49



Sent To
Street, Apt. N
or PO Box N
City, State, Z
MOMENTUM ENERGY CORP.
P.O. Box 3398
Midland, TX 79702

For delivery information visit our website at www.usps.com
OFFICIAL USE

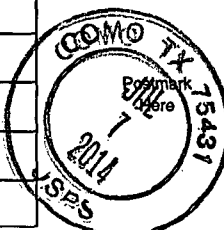
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Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$6.49



Sent To
Street, Apt. N
or PO Box N
City, State, ZIP
CHEVRON, USA
15 Smith Road
Midland, TX 79705

OFFICIAL USE

Postage	\$.49
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$6.49



Sent To
Street, Apt. N
or PO Box N
City, State, Zi
BUREAU OF LAND MANAGEMENT
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

Affidavit of Publication


State of New Mexico,
County of Lea.

I, DANIEL RUSSELL
PUBLISHER
of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

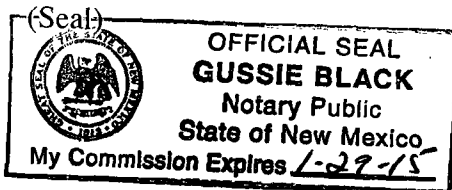
of 1 issue(s).
Beginning with the issue dated
July 01, 2014
and ending with the issue dated
July 01, 2014


PUBLISHER

Sworn and subscribed to before me
this 1st day of
July, 2014


Notary Public

My commission expires
January 29, 2015



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

LEGAL

LEGAL NOTICE July 1, 2014

Endurance Resources, LLC,
P. O. Box 1466, Artesia, NM
88211 is filing Form C-108
(Application for Authority to
Inject) with the New Mexico
Oil Conservation Division for
administrative approval to
reenter and permit for salt
water disposal its
Momentum '36' State Well
No.1. The well, API
No.30-025-37517 is located
1650 FSL & 2310 FWL in
Section 36, Township 25
South, Range 35 East in
Lea County, New Mexico.
The SWD well will be for the
operator's sole use to
dispose of area produced
water into the Delaware
formation through
perforations from a top of
7050 feet to a bottom depth
of 7500 feet. Maximum
injection pressure will be
1410 psi with a maximum
rate limited only by such
pressure.

Interested parties wishing to
object to the proposed
application must file with the
New Mexico Oil
Conservation Division, 1220
St. Francis Dr., Santa Fe,
NM 87505, (505)476-3460
within 15 days of the date of
this notice. Additional
information may be obtained
from the applicant's agent,
SOS Consulting, LLC,
(903)488-9850 or, email
info@sosconsulting.us.
#29187

67104417 00139505
BEN STONE
SOS CONSULTING, LLC.
P.O. BOX 300
COMO, TX 75431

**C-108 Review Checklist:**

Received

07/10/14

Add. Request: —

Reply Date: —

Suspended: —

[Ver 15]

ORDER TYPE: WFX / PMX

(SWD)

Number: 1519

Order Date: 01/13/14

Legacy Permits/Orders: —

Well No. 1

Well Name(s): Momentum 36 State

API: 30-025-37517

Spud Date: 02/21/2006

New or Old: New

(UIC Class II Primacy 03/07/1982)

Footages 1650 FBL / 2310 FWL

Lot —

or Unit K

Sec 36

Tsp 25S

Rge 35 E

County Lea

General Location: 7 miles W of Jal

Pool: BS; wildcat / SWD; Delaware

Pool No.: —

BLM 100K Map: Jal

Operator: Endurance Resources LLC

OGRID: 270329

Contact: B. Stone / sas

COMPLIANCE RULE 5.9: Total Wells: 117

Inactive: 4

Fincl Assur: OK

Compl. Order? No

IS 5.9 OK? Yes

Date: 11/13/15

WELL FILE REVIEWED ☒

Current Status:

P&A - surface remed. completed 2008;

DST #1 8350' to 8514'

DST #2 8640' to 8776'

WELL DIAGRAMS: NEW: Proposed ☐or RE-ENTER: Before Conv. ☒After Conv. ☒

Logs in Imaging: New / Dens / Induction / CSL

Planned Rehab Work to Well:

Run new production casing, cmt to surface, perf and inject.

Well Construction Details		Sizes (in)	Setting	Cement	Cement Top and
		Borehole / Pipe	Depths (ft)	Sx or Cf	Determination Method
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	Surface	17 1/2 / B3/8	0 to 549	475	Circulated to surf
Planned <input type="checkbox"/> or Existing <input checked="" type="checkbox"/>	Interm/Prod	12 1/4 / 1 5/8	0 to 5028	1300	Toc @ 530
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/>	Interm/Prod	7 1/8 / 5.5	0 to 7600	2100	Circulate to surface
Planned <input type="checkbox"/> or Existing <input type="checkbox"/>	Prod/Liner	—	—	—	—
Planned <input type="checkbox"/> or Existing <input type="checkbox"/>	Liner	—	—	—	—
Planned <input checked="" type="checkbox"/> or Existing <input type="checkbox"/>	OH / PERF	7 / 5 1/2	7050 to 7500	Inj Length 450'	

Injection Lithostratigraphic Units:		Depths (ft)	Injection or Confining Units	Tops
Adjacent Unit: Litho. Struc. Por.				
Confining Unit: Litho. Struc. Por.	1990	Cherry Canyon	5066	
Proposed Inj Interval TOP:	7050	Brushy Canyon	7351	
Proposed Inj Interval BOTTOM:	7500	Bone Spring	8742	
Confining Unit: Litho. Struc. Por.	+1391	Wolfcamp		
Adjacent Unit: Litho. Struc. Por.				

Completion/Operation Details:	
Drilled TD	9700
NEW TD	7600
NEW Open Hole	<input type="radio"/> or NEW Perfs <input checked="" type="radio"/>
Tubing Size	2 1/8 in. Inter Coated? Yes
Proposed Packer Depth	6955 ft
Min. Packer Depth	6950 (100-ft limit)
Proposed Max. Surface Press.	1410 psi
Admin. Inj. Press.	1410 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information	
POTASH: R-111-P	Noticed? NA
BLM Sec Ord	40 WIPP
Salt/Salado T:	—
NW: Cliff House fm	NA
FRESH WATER: Aquifer	Alluvial / Santa Rosa ss
Max Depth	< 400'
HYDRO AFFIRM STATEMENT	By Qualified Person <input checked="" type="checkbox"/>
NMOSE Basin: (Carlsbad) / (Wichita)	CAPTAN REEF: thru <input type="radio"/> adj <input checked="" type="radio"/> NA
No. Wells within 1-Mile Radius?	0
FW Analysis	NA
Disposal Fluid: Formation Source(s)	Delaware & Bone Spring
Analysis?	Yes
On Lease	<input type="radio"/> Operator Only <input checked="" type="radio"/> or Commercial <input type="radio"/>
Disposal Int: Inject Rate (Avg/Max BWPD):	None provided
Protectable Waters?	No
System: Closed <input checked="" type="radio"/> or Open <input type="radio"/>	
HC Potential: Producing Interval?	No
Formerly Producing?	No
Method: Logs/DST/P&A/Other	in area 2-Mile Radius Pool Map
AOR Wells: 1/2-M Radius Map?	Yes
Well List?	NA
Total No. Wells Penetrating Interval:	0
Horizontals?	NA
Penetrating Wells: No. Active Wells	0
Num Repairs?	—
on which well(s)?	—
Diagrams?	—
Penetrating Wells: No. P&A Wells	0
Num Repairs?	—
on which well(s)?	—
Diagrams?	—

NOTICE: Newspaper Date	07/01/14
Mineral Owner	SLO
Surface Owner	SLO
N. Date	7/7/14
RULE 26.7(A): Identified Tracts?	Yes
Affected Persons:	Yates / Momentum Energy / Davon / Chwara / BLM
N. Date	7/7/14

Order Conditions:

Issues: "Delaware formation" - Cherry & Brushy

Add Order Cond:

No Special Requirements