

9/03/2015 DATE IN	SUSPENSE	MAM ENGINEER	9/03/2015 LOGGED IN	PLC TYPE	PMAM1521557469 APP NO
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ABOVE THIS LINE FOR DMSION USE ONLY

Need production

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 _____

[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

[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.

Jordan L. Kessler
Print or Type Name

Signature

Attorney

Title

Date

jlkessler@hollandhart.com

e-mail Address

8/3/15

-PLC
-Endurance Resources, LLC
270325
WCH
-Orange Rider BWSite
1H
30-025-35712
-TUCLOASTEN BAS 36
State #44
2015 AUG - 3 P 3:21
RECEIVED OGD
POOJ
-Red Hills Upper
Bone Springs Shale
97900
-WCH-025 G-09
5253422N
WOLF CAMP
18118

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

jlkessler@hollandhart.com

August 3, 2015

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
2015 AUG - 3 P 3:21

Re: Application Endurance Resources, LLC for administrative approval to surface commingle production from the Red Hills; Upper Bone Spring Shale Pool (97900) and the WC-025 GO9; Wolfcamp Pool (98116) from wells located in the W/2 of Section 35 and the E/2 of Section 36, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Catanach:

Endurance Resources, LLC (OGRID 270329) seeks approval to surface commingle production from the WC-025 GO9; Wolfcamp Pool (98116) and the Red Hills; Upper Bone Spring Shale Pool (97900) *from existing and future wells* drilled in the following areas of common ownership in Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico:

(a): State lease VO-7379, covering the W/2 of Section 35. The Orange Raider MPV State No. 1H (30-025-39712) is located on said lease and is currently producing from the Red Hills; Upper Bone Spring Shale Pool (97900).

(b): State Lease VO-7380, covering the E/2 of Section 36. The Telecaster Bass 36 State No. 4H (30-025-42376) is located on said lease and is currently producing from the WC-025 GO9; Wolfcamp Pool (98116).

Under NMAC 19.15.12.7, leases are contiguous geographical areas of identical ownership overlying a pool or portion of a pool for surface commingling purposes. Pursuant to NMAC 19.15.12.10.C, Endurance seeks authority to surface commingle oil and gas production *from existing and future wells* in these separate areas of common ownership at the Telecaster Bass "36" Tank Battery located in the NE/4 NE/4 (Unit A) of Section 36. Prior to commingling, oil and gas production from each of these spacing units will be separately metered using an orifice meter for gas, a Coriolis meter for oil, and a Vortex meter for water at this facility.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☉

HOLLAND & HART^{LLP}



Exhibit 1 is a land plat identifying the subject state leases (VO-7380 and VO-7379), the existing wells on those leases, , and the common surface facility to be located in the NE/4 NE/4 (Unit A) of Section 36.

Exhibit 2 contains the Form C-102s for each of the existing wells in the subject spacing units.

Exhibit 3 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B with attachments.

Exhibit 4 is a plat of the proposed common facility area.

Exhibit 5 is a diagram of the surface facilities.

Exhibit 6 is a list of the interests owners affected by this request for approval to surface commingle. A copy of this application with all attachments has been sent by certified mail to all affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives Endurance's application. Since state lands are involved, pursuant to NMAC 19.15.12.10(C)(4)(h), Endurance is also seeking authority for surface commingling from the State Land Office. The State Land Office has been provided a courtesy copy of this application and all exhibits.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR ENDURANCE RESOURCES, LLC

cc: New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504



T24S R34E

ENDURANCE RES. LLC.
Orange Raider
320 Ac.

35

ENDURANCE RES LLC
1H

ENDURANCE RES. LLC.

Facility

ENDURANCE RES. LLC.
Telecaster Bass
320 Ac.

36

0 694
FEET

PETRA 7/1/2015 12:00:30 PM

EXHIBIT

tabbles

1

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-8181 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Branco Rd., Aztec, NM 87410
Phone:(505) 334-8178 Fax:(505) 334-8170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3452

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39712	2. Pool Code 97900	3. Pool Name Red Hills; Upper Bone Spring SH
4. Property Code 38072	5. Property Name ORANGE RAIDER BPV STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name ENDURANCE RESOURCES LLC	9. Elevation 3389

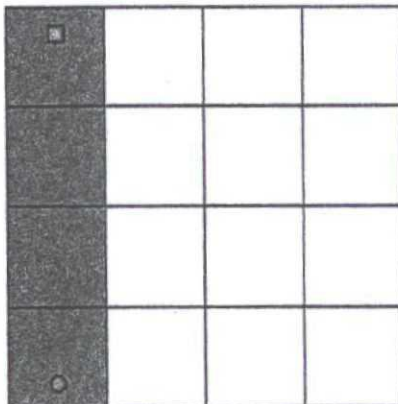
10. Surface Location

UL - Lot M	Section 35	Township 24S	Range 34E	Lot Idn D	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 35	Township 24S	Range 34E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County LEA
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>M. A. Sirgo</i></p> <p>Title: M. A. Sirgo, III Engineer Date: 07-30-2015</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Surveyed By: Gary Jones Date of Survey: 3/6/2010 Certificate Number: 7977</p>



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0730
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1270 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-42376	2 Pool Code 98116	3 Pool Name WC-025 G09; Wolfcamp
4 Property Code 314105	5 Property Name TELECASTER BASS 36	6 Well Number 4H
7 OGRID No. 270329	8 Operator Name ENDURANCE RESOURCES, LLC	9 Elevation 3372.6

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	24 S	34 E		180	NORTH	990	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	24 S	34 E		330	SOUTH	330	EAST	LEA

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>DNF</p> <p>N O CORNER SEC. 36 LAT. = 32.1812409°N LONG. = 103.4236639°W NMSP EAST (FT) N = 430860.10 E = 822773.22</p> <p>NE CORNER SEC. 36 LAT. = 32.1812321°N LONG. = 103.4151478°W NMSP EAST (FT) N = 430879.28 E = 825408.09</p> <p>W O CORNER SEC. 36 LAT. = 32.1739948°N LONG. = 103.4322041°W NMSP EAST (FT) N = 428201.72 E = 820153.02</p> <p>SW CORNER SEC. 36 LAT. = 32.1667396°N LONG. = 103.4322030°W NMSP EAST (FT) N = 425562.32 E = 820175.48</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE.</p> <p>S O CORNER SEC. 36 LAT. = 32.1667278°N LONG. = 103.4236736°W NMSP EAST (FT) N = 425580.22 E = 822614.86</p> <p>SE CORNER SEC. 36 LAT. = 32.1667271°N LONG. = 103.4150881°W NMSP EAST (FT) 330' N = 425602.53 E = 825471.59</p> <p>889°34'58"E 2635.29 FT</p> <p>990'</p> <p>180'</p> <p>SURFACE LOCATION</p> <p>TELECASTER BASS "36" 4H ELEV. = 3372.6' LAT. = 32.1807409°N (NAD83) LONG. = 103.4183469°W NMSP EAST (FT) N = 430892.13 E = 824419.83</p> <p>E O CORNER SEC. 36 LAT. = 32.1739750°N LONG. = 103.4151440°W NMSP EAST (FT) N = 428239.16 E = 825431.78</p> <p>1 BOTTOM OF HOLE LAT. = 32.1676341°N LONG. = 103.4161613°W NMSP EAST (FT) N = 425029.68 E = 825136.67</p> <p>2 BOTTOM OF HOLE</p> <p>589°36'41"W 2639.79 FT</p> <p>589°31'08"W 2657.19 FT</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well or this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order to enforce entered by the Division.</p> <p><i>Manny Sirgo</i> 7-30-15 Signature Date</p> <p>Manny Sirgo III Printed Name</p> <p>manny@enduranceresourcesllc.com E-mail Address</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 6 2016 NEW MEXICO</p> <p>Date of Survey (12797)</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: 12797, PLS 12797 + SURVEY NO. 3355</p>
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District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Endurance Resources LLC
OPERATOR ADDRESS: 203 West Wall St Suite 1000 Midland Texas 79701
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☐ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Red Hills; Upper Bone				NA
Spring Shale 97900	42 / 1130			
WC-025 G09; Wolfcamp				NA
98116	42.5 / 1312			

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☒ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: L. A. Sigo TITLE: VP - OPERATIONS DATE: 7-20-2015
TYPE OR PRINT NAME: M.A. Sigo TELEPHONE NO.: 432-242-4680
E-MAIL ADDRESS: MASSY@ENDURANCERESOURCESLLC.COM

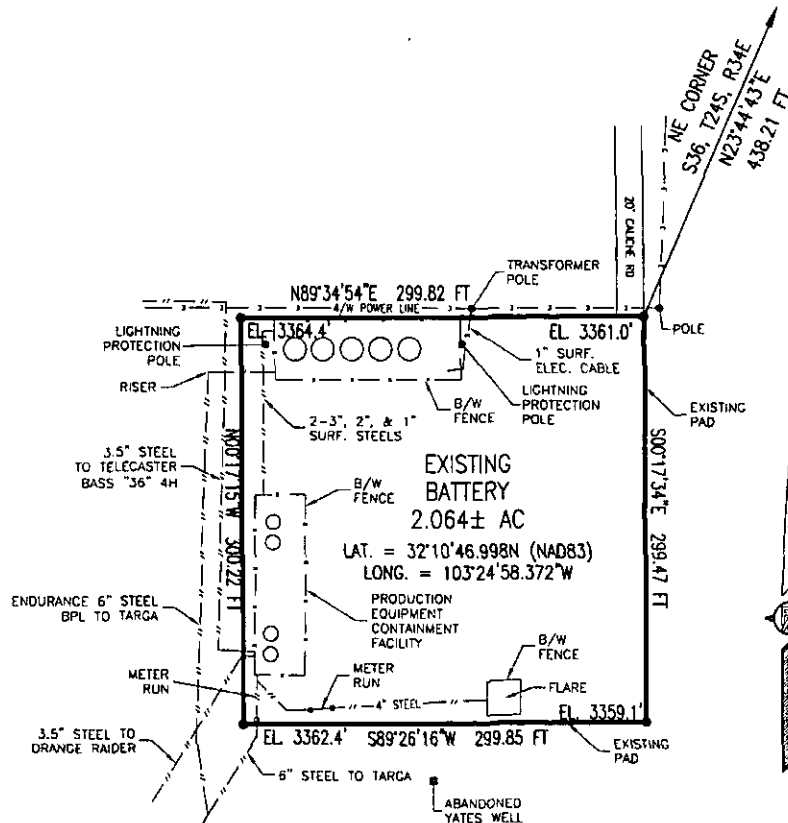
EXHIBIT

3

TELECASTER BASS "36" BATTERY AS-BUILT

ENDURANCE RESOURCES, LLC
IN THE NE/4 NE/4 OF
SECTION 36, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

JULY 15, 2015



DIRECTIONS TO LOCATION
FROM CR 2 AND STATE HIGHWAY 128 GO SOUTHWEST ON CR 2 0.34 MILES, BEND RIGHT AND GO WEST 919' TO A PROPOSED ROAD SURVEY AND FOLLOW FLAG SOUTH 389' TO THE PROPOSED NORTHEAST PAD CORNER.

LEGEND
• SET #4 REBAR W/JARAMILLO CAP
100 0 100
Scale: 1" = 100'

DESCRIPTION

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE NE/4 NE/4 OF SECTION 36, TOWNSHIP 24 SOUTH, RANGE 34 EAST N.M.P.M., LEA COUNTY, NEW MEXICO.

BEGINNING AT THE NORTHEAST CORNER OF THE PARCEL, WHENCE THE NORTHEAST CORNER OF SECTION 36, TOWNSHIP 24 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N23°44'43"E, A DISTANCE OF 438.21 FEET;
THENCE S00°17'34"E A DISTANCE OF 299.47 FEET TO THE SOUTHEAST CORNER OF THE PARCEL;
THENCE S89°26'16"W A DISTANCE OF 299.85 FEET TO THE SOUTHWEST CORNER OF THE PARCEL;
THENCE N00°17'15"W A DISTANCE OF 300.22 FEET TO THE NORTHWEST CORNER OF THE PARCEL;
THENCE N89°34'54"E A DISTANCE OF 299.82 FEET TO THE NORTHEAST CORNER OF THE PARCEL, TO THE POINT OF BEGINNING;
CONTAINING 2.064 ACRES MORE OR LESS.

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 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.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 17 DAY OF JULY 2015

FILMON F. JARAMILLO, PLS. 12797
201 SOUTH CANAL
(575) 234-3341

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

SURVEY NO. 3607A

GENERAL NOTES

- 1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A BATTERY
- 2.) BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST ZONE

SHEET: 1-3

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

EXHIBIT

4

EXHIBIT 6

Working Interest Owners

Tritex Energy A, LP
203 West Wall, Suite 1000
Midland, Texas 79701

Oxy Y-1 Company
PO Box 4294
Houston, Texas, 77210

Overriding Royalty Owners

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Yates Industries, LLC
105 South Fourth Street
Artesia, New Mexico 88210

Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Myco Industries, Inc.
P.O. Box 840, Artesia
New Mexico, 88210

Sharbro Energy, LLC
P.O. Box 840
Artesia, New Mexico, 88210

HOLLAND & HART



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jkessler@hollandhart.com

August 3, 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application Endurance Resources, LLC for administrative approval to surface commingle production from the Red Hills; Upper Bone Spring Shale Pool (97900) and the WC-025 GO9; Wolfcamp Pool (98116) from wells located in the W/2 of Section 35 and the E/2 of Section 36, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Jason South
Land Manager
Endurance Resources, LLC
(432) 242-4683
jason@enduranceresourcesllc.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR ENDURANCE RESOURCES LLC

Holland & Hart LLP

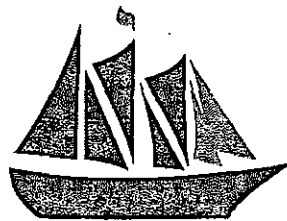
Phone (505) 988-4421 Fax (505) 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☪

TELECASTER BASS 36 FED 4H

Day of Production	DATE	Hours Prod	Choke Size in 64ths	TP	CP	BOPD	BWPD	MCFD
1	7/7/2015	17.0	19.00		2,600	0	4821	0
2	7/8/2015	24.0	21.00		2,200	0	5262	0
3	7/9/2015	24.0	21.00		1,450	280	4551	312
4	7/10/2015	24.0	21.00		1,250	526	3348	483
5	7/11/2015	24.0	23.00		900	631	2551	540
6	7/12/2015	24.0	29.00		650	634	2123	531
7	7/13/2015	24.0	35.00		475	655	1925	568
8	7/14/2015	24.0	41.00		380	654	1640	569
9	7/15/2015	24.0	47.00		325	576	1299	533
10	7/16/2015	24.0	49.00		330	587	1085	508
11	7/17/2015	24.0	49.00		370	541	1080	593
12	7/18/2015	24.0	49.00		330	545	997	595
13	7/19/2015	24.0	49.00		335	534	999	592
14	7/20/2015							
15	7/21/2015	24.0			340	507	1017	633
16	7/22/2015	24.0			330	474	576	517
17	7/23/2015	24.0			350	446	769	497
18	7/24/2015	24.0	WIDE OPEN		260	445	725	486
19	7/25/2015	24.0	WIDE OPEN		220	445	715	511
20	7/26/2015	24.0	WIDE OPEN		220	454	690	468
21	7/27/2015	24.0	WIDE OPEN		210	405	586	429
22	7/28/2015	24.0	wo		210	436	595	402
23	7/29/2015	9.0		2,500		116	256	257
24	7/30/2015	0.0		0		0	0	0
25	7/31/2015			150		198	0	0
26	8/1/2015				150	171	206	84
27	8/2/2015				150	198	309	192
28	8/3/2015				150	227	348	191



ENDURANCE
RESOURCES

RECEIVED
AUG 05 2015

YPC MAIL ROOM

August 3, 2015

Yates Petroleum Corporation, et al
Attn: Mr. Chuck Moran
105 S. 4th Street
Artesia, New Mexico 88210

Via Fed Ex

Re: Request for Waiver for Surface Commingling Application

- **Orange Raider BPV State #1H Well**
Section 35, Township 24 South, Range 34 East, Lea County, New Mexico
- **Telecaster Bass 36 State #4H Well**
Section 36, Township 24 South, Range 34 East, Lea County, New Mexico

Dear Mr. Moran:

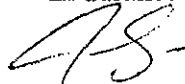
Endurance Resources LLC ("Endurance") has submitted an application to the New Mexico Oil Conservation Division requesting to surface commingle the above-referenced wells at the Telecaster Bass 36 Tank Battery located in the NE/4NE/4 of Section 36, T24S, R34E, Lea County, New Mexico.

Endurance respectfully requests that Yates Petroleum Corporation, Abo Petroleum Corporation, Myco Industries, Inc., Yates Industries, LLC and Sharbro Energy, LLC waive any objection to the captioned surface commingling application. Please indicate your agreement to waive any objection to the surface commingling application by having an authorized party date and execute both copies of this letter in the spaces provided below on behalf of your company. Please return one executed copy to my attention at the address listed below.

Should you have any questions, please do not hesitate to contact me at (432) 242-4683 or via email at jason@enduranceresourcesllc.com.

Regards,

Endurance Resources LLC


Jason South, CPL
Landman

Yates Petroleum Corporation hereby waives its right to object to the application of Endurance Resources LLC for an administrative order from the New Mexico Oil Conservation Division approving Endurance's application to surface commingle production from the Orange Raider BPV State #1H Well and the Telecaster Bass 36 State #4H Well at the Telecaster Bass 36 Tank Battery

☒ I waive the right to object to the surface commingling of production as stated above.

☐ I do not waive the right to object to the surface commingling of production as stated above.

BY: Kathy H. Porter
Kathy H. Porter
ITS: Attorney-in-Fact

DATE: 8/12/2015

Abo Petroleum Corporation hereby waives its right to object to the application of Endurance Resources LLC for an administrative order from the New Mexico Oil Conservation Division approving Endurance's application to surface commingle production from the Orange Raider BPV State #1H Well and the Telecaster Bass 36 State #4H Well at the Telecaster Bass 36 Tank Battery

☒ I waive the right to object to the surface commingling of production as stated above.

☐ I do not waive the right to object to the surface commingling of production as stated above.

BY: John A. Yates, Jr.
John A. Yates, Jr.
ITS: Attorney-in-Fact

DATE: 8/12/2015

Myco Industries, Inc. hereby waives its right to object to the application of Endurance Resources LLC for an administrative order from the New Mexico Oil Conservation Division approving Endurance's application to surface commingle production from the Orange Raider BPV State #1H Well and the Telecaster Bass 36 State #4H Well at the Telecaster Bass 36 Tank Battery

☒ I waive the right to object to the surface commingling of production as stated above.

☐ I do not waive the right to object to the surface commingling of production as stated above.

BY: Hannah Palomin
Hannah Palomin
ITS: Land Manager

DATE: 8.12.15

Yates Industries, LLC hereby waives its right to object to the application of Endurance Resources LLC for an administrative order from the New Mexico Oil Conservation Division approving Endurance's application to surface commingle production from the Orange Raider BPV State #1H Well and the Telecaster Bass 36 State #4H Well at the Telecaster Bass 36 Tank Battery

☒ I waive the right to object to the surface commingling of production as stated above.

☐ I do not waive the right to object to the surface commingling of production as stated above.

BY: Tao L. Chumbley

ITS: Attorney-in-Fact

DATE: 08/12/2015

Sharbro Energy, LLC hereby waives its right to object to the application of Endurance Resources LLC for an administrative order from the New Mexico Oil Conservation Division approving Endurance's application to surface commingle production from the Orange Raider BPV State #1H Well and the Telecaster Bass 36 State #4H Well at the Telecaster Bass 36 Tank Battery

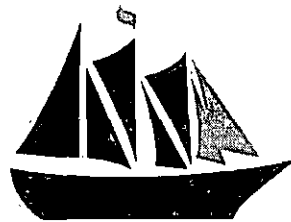
☒ I waive the right to object to the surface commingling of production as stated above.

☐ I do not waive the right to object to the surface commingling of production as stated above.

BY: Hannah Palomin

ITS: Authorized Agent

DATE: 8.12.15



ENDURANCE
RESOURCES

August 3, 2015

Tritex Energy A, LP
203 West Wall, Suite 1000
Midland, Texas 79701
Attn: Don Ritter

Via Fed Ex

Re: Request for Waiver for Surface Commingling Application

- Orange Raider BPV State #1H Well
Section 35, Township 24 South, Range 34 East, Lea County, New Mexico
- Telecaster Bass 36 State #4H Well
Section 36, Township 24 South, Range 34 East, Lea County, New Mexico

Dear Mr. Ritter:


Endurance Resources LLC ("Endurance") has submitted an application to the New Mexico Oil Conservation Division requesting to surface commingle the above-referenced wells at the Telecaster Bass 36 Tank Battery located in the NE/4NE/4 of Section 36, T24S, R34E, Lea County, New Mexico.

Endurance respectfully requests that Tritex Energy A, LP waive any objection to the captioned surface commingling application. Please indicate your agreement to waive any objection to the surface commingling application by having an authorized party date and execute both copies of this letter in the spaces provided below on behalf of your company. Please return one executed copy to my attention at the address listed below.

Should you have any questions, please do not hesitate to contact me at (432) 242-4683 or via email at Jason@enduranceresourcesllc.com.

Regards,

Endurance Resources LLC


Jason South, CPL
Landman

Page 1 of 2

203 WEST WALL, SUITE 1000 MIDLAND, TEXAS 79701

PHONE: 432-242-4680 WWW.ENDURANCERESOURCESLLC.COM

Tritex Energy A, LP hereby waives its right to object to the application of Endurance Resources LLC for an administrative order from the New Mexico Oil Conservation Division approving Endurance's application to surface commingle production from the Orange Raider BPV State #1H Well and the Telecaster Bass 36 State #4H Well at the Telecaster Bass 36 Tank Battery

X I waive the right to object to the surface commingling of production as stated above.

 I do not waive the right to object to the surface commingling of production as stated above.

BY: 

ITS: CEO

DATE: 8/12/2015

Endurance Resources LLC – August 2015 Application for Commingling

Engineering Description of Production Commingling

Wells requested to be commingled:

- 1) **Telecaster Bass 36 State 4H**-Unit A-36-24s-34e, Lea Cty., NM (30-025-42376). This well is completed as an oil well in the Upper Wolfcamp and commenced production in July 2015.
- 2) **Orange Raider BPV State 1H**- Unit M-35-24s-34e, Lea Cty., NM (30-025-39712). This well is completed as an oil well in the Bone Spring and is expected to commence production on Aug 24, 2015.

Battery Site and Flow line access:

The commingle battery is located in Unit A of section 36-24s-34e near the Telecaster Bass 36 State 4H well. A separate flowline runs from the Telecaster Bass 36 State 4H wellhead to the header at the battery.

Right-of way was previously obtained by Endurance in Sec 35-24s-34e to allow for a separate flow line to be run from the Orange Raider BPV State 1H to the header at the Telecaster Bass battery in Sec 36.

There are no other wells producing into the Telecaster Bass battery.

Production Flow & Metering:

Exhibit 5 is a schematic of the production flow and processing thru the related vessels, metering and tank storage components of the Telecaster Bass Battery.

Both wells individual total production streams will travel to the Telecaster Bass battery header via separate flowlines from their respective wellheads. At the header each well will be routed separately to its own 3 phase separator. Separation of oil, water and gas will occur at each of these vessels and each product stream will be continuously metered as it exits the vessel in order to meet all state and any applicable federal testing requirements.

Oil and water volumes will be metered thru separate Halliburton total flow turbine meters. Gas volumes will be metered thru an orifice meter. Additionally gas component sampling will occur monthly for each vessel prior to the gas from each vessel flowing into the common sales line and sales meter. Monthly meter proving and sampling will be conducted by a certified 3rd party contractor.

Commingled gas volumes will be sold to Targa (24650) thru an orifice sales meter located at the Telecaster Battery site. Individual well monthly metered gas volumes and gas component analysis will be used to allocate commingled gas production and sales for the two wells and to reflect any BTU variance if necessary.

cont'd Production Flow & Metering:

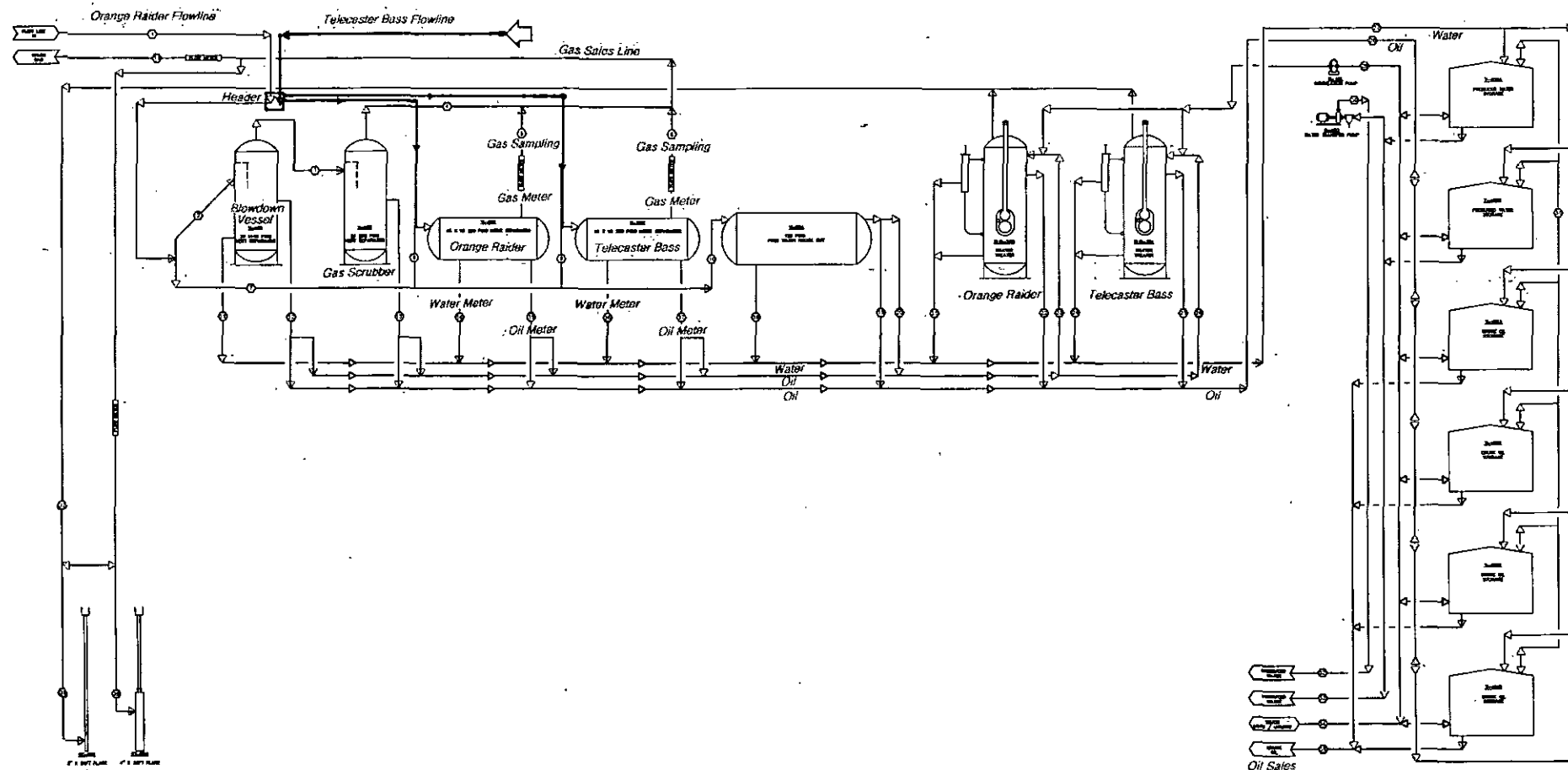
Commingled oil volumes will flow to common oil storage tanks located at the Telecaster Bass battery for sale via truck hauling by BML (252452). Individual well monthly metered oil volumes will be used to allocate the commingled oil production and sales for the two wells. API gravities are the same or similar but will be checked periodically for each well to insure no adjustments are required.

Commingled water production will flow to common produced water storage tanks at the Telecaster Bass Battery where the water will be metered and shipped to disposal via Endurance's area disposal system. Individual well monthly metered water volumes will be used to allocate the commingled water production and disposal to each well.

A single battery for these two wells will reduce the surface disturbance needed to process and sell production associated with these two wells.

The commingling of these two wells will not result in reduced royalty or improper measurement of production. All Working Interest and Overriding Royalty owners have been notified and have waived any objection to this commingling. The State of New Mexico is the Royalty owner for both wells.

Endurance Resources LLC respectfully request a timely approval of this commingling application for these two wells to allow for commencement of production from the Orange Raider BPV State 1H well projected for August 24, 2015.



This document and the information herein is the property of Endurance Resources, LLC and must not be copied, made public, or used in any way detrimental to the interests of Endurance Resources, LLC. It is loaned subject to return on demand unless otherwise provided by contract.

K&B TECHNICAL SERVICES INC.
 119 S. Main, Carlsbad, NM 88220
 Ph 888.995.2632 Fax 888.258.7094
 www.kbtsi.us

ENDURANCE RESOURCES, LLC
 TELECASTER BASS 36
 STATE NO. 4H 150'FNL & 990'FEL
 UNIT A, SEC 36-T24S-R34E
 LEASE #VO 7380 LEA CO. NM
 API #30-025-42376

SYSTEM PFD

Drawing No. 040915-2-A-20

REFERENCE DRAWINGS

REVISION RECORD

NUMBER	TITLE	NUMBER	TITLE	NO.	DESCRIPTION	BY	APPD	DATE	NO.	DESCRIPTION	BY	APPD	DATE
1		1		1	FIRST ISSUE	TCP	LPR	7/1/13	1				
2		2		2					2				
3		3		3					3				
4		4		4					4				
5		5		5					5				

Drawn By: Jip 6/1/2015
 Checked By: JLR 6/1/2015
 Eng. App'd: JLR 7/1/2015
 PM App'd: -
 Scale: NONE