BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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2012 JAN 31 A 10: 16

APPLICATION OF ENDURANCE RESOURCES, LLC OF A PRESSURE MAINTENANCE PROJECT IN THE DELAWARE FORMATION, EDDY COUNTY, NEW MEXICO.

Case No. 14800

APPLICATION FOR LEASE PRESSURE MAINTENANCE

Endurance Resources, LLC, by and through its undersigned attorney, applies for an order approving lease pressure maintenance, and in support thereof, states:

1. Applicant seeks approval to institute a lease pressure maintenance project in its Base Ball Park Lease covering the following described lands;

Township 22 South, ~~Range 26 East~~, NMPM

Section 24: SE/4, S/2NE/4 — 22S/26E
Section 19: NW/4SW/4 — 22S/27E

2. Applicant intends to inject produced water into the Delaware formation through its Base Ball Park No. 1 well located 1980' FSL 660' FEL, Unit I, Section 24, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, at a depth of 4,052 feet to 4,690 feet (perforated).

4. A form C-108 for the well is attached hereto as Exhibit A.

5. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

ERNEST L. PADILLA,
Attorney for Endurance Resources, LLC
PO Box 2523
Santa Fe, New Mexico 87504
505-988-7577

NMOCD Case No. _____

Application of Endurance Resources, LLC for approval of a pressure maintenance project, Eddy County, New Mexico; Applicant seeks approval to institute a lease pressure maintenance project in its Base Ball Park Lease covering the SE/4 and S/2NE/4 of Section 24; NW/4SW/4 of Section 19; T22S, R26E, NMPM. Applicant intends to inject produced water into the Delaware formation through its Base Ball Park No. 1 well located 1980' FSL 660' FEL, Unit I, Section 24, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, at a depth of 4,052 feet to 4,690 feet (perforated).

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EXHIBIT A

EXHIBIT A

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

Case 14800

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance __X__ Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes __X__ No

II. OPERATOR: ENDURANCE RESOURCES LLC

ADDRESS: P.O. BOX 1466 ARTESIA, NM 88211-1466

CONTACT PARTY: RANDALL HARRIS PHONE: 575-308-0722

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes __X__ No
If yes, give the Division order number authorizing the project: _____

V. Attach a map 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. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data 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. Attach appropriate geologic data on the injection zone 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. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

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: RANDALL HARRIS TITLE: GEOLOGIST

SIGNATURE: DATE: 10/12/2011

E-MAIL ADDRESS: rharrisnm@yahoo.com

* 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: _____

Side 1

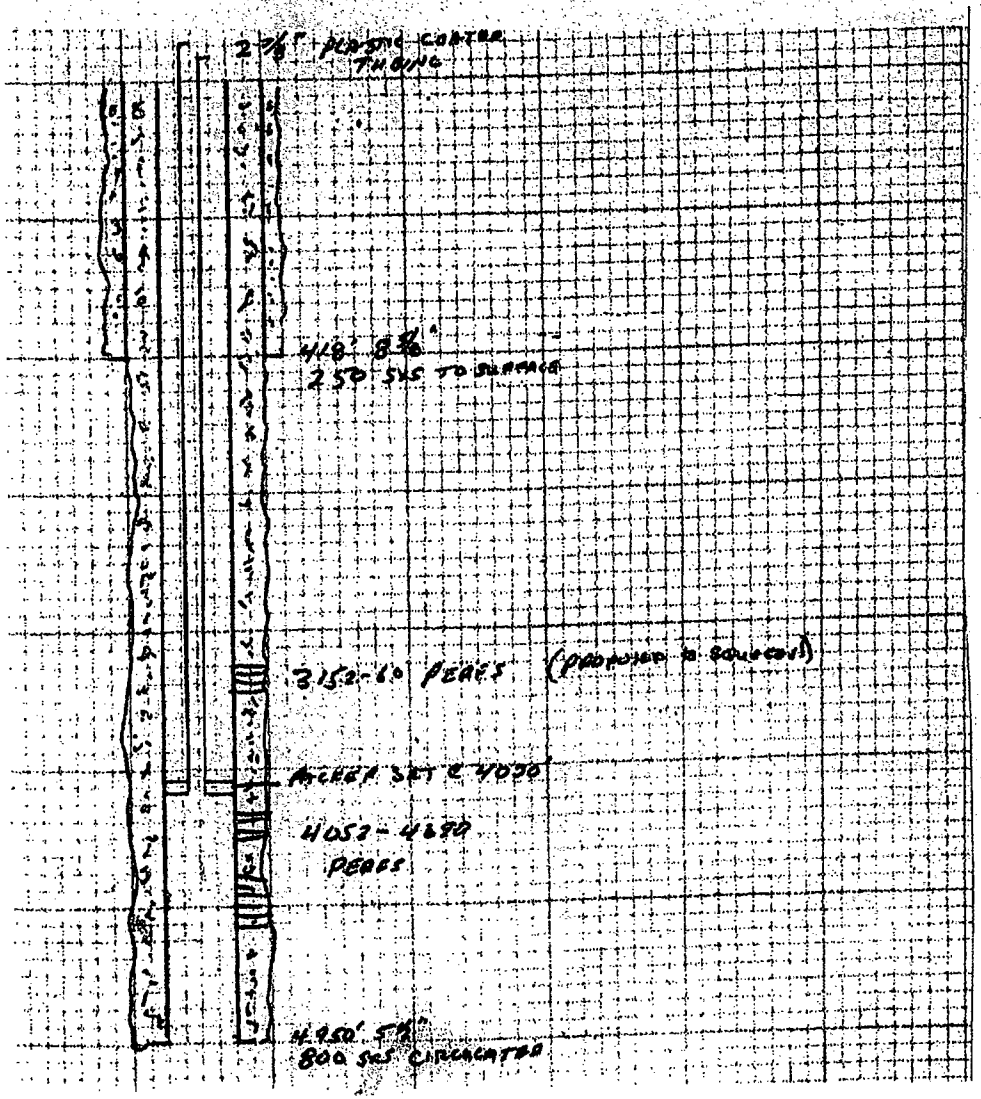
INJECTION WELL DATA SHEET

OPERATOR: ENDURANCES RESOURCES LLC

WELL NAME & NUMBER: BASE BALL PARK #1 30-015-24974

WELL LOCATION: 1980' FSL 660' FEL	I	24	22S	26E
FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 10" Casing Size: 8 5/8"

Cemented with: 250 sx. or _____ ft³

Top of Cement: SURFACE Method Determined: CIRCULATED

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. or _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"

Cemented with: 800 sx. or _____ ft³

Top of Cement: SURFACE Method Determined: CIRCULATED

Total Depth: 4950

Injection Interval

4052 feet to 4690 PERF

(Perforated or Open Hole; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: PLASTIC

Type of Packer: BAKER AD1 PLASTIC COATED

Packer Setting Depth: 4030

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes X No

   If no, for what purpose was the well originally drilled? OIL

2. Name of the Injection Formation: DELAWARE

3. Name of Field or Pool (if applicable): SOUTH CARLSBAD DELAWARE

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. 3152-60

   PROPOSE TO CEMENT SQUEEZE WITH 50 SXS CLASS "C"

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: WOLFCAMP 7000, MORROW 11,000

CURRENT CONDITIONS

ENDURANCE RESOURCES
BASE BALL PARK #1
30-015-24974

418' 8 5/8"
250 SXS TO SURFACE

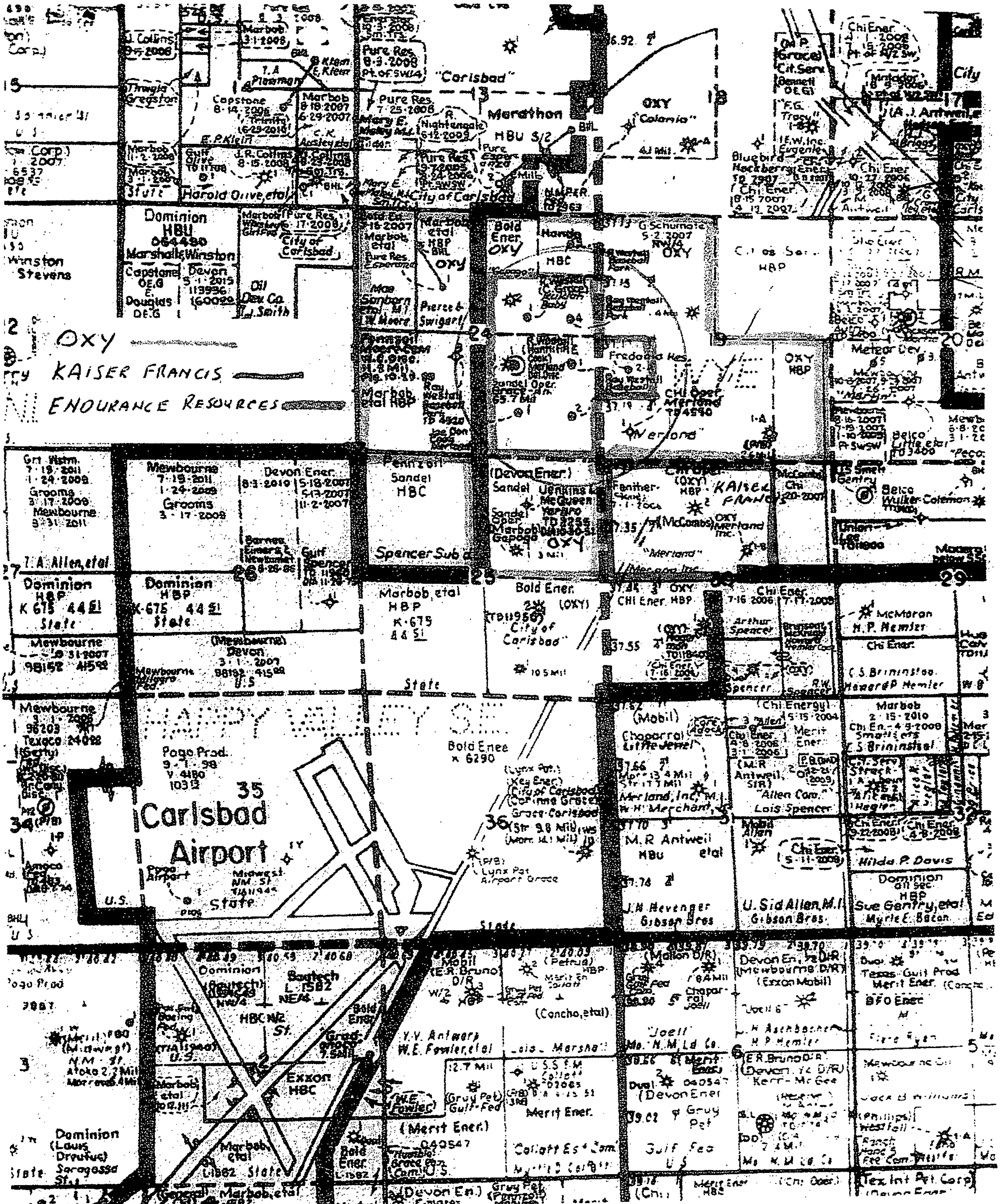
3152-60 PERFS (PROPOSED TO SQUEEZE)

4052-4690
PERFS

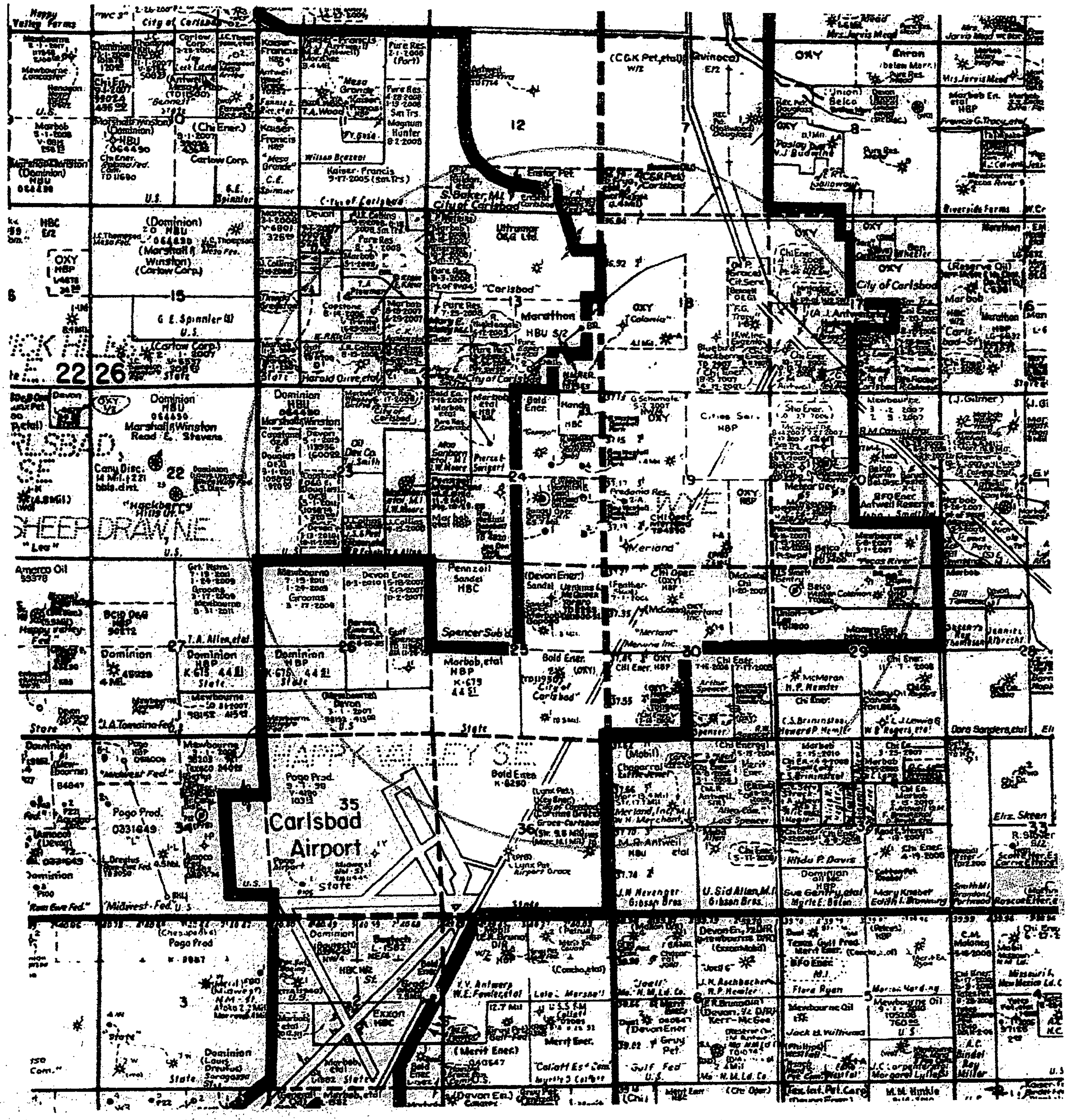
4950' 5 1/2"
800 SKS CIRCULATED

ATTACHMENT V

Maps that identifies all wells of public record within two miles of each proposed injection well, and the area of review one-half mile radius around each proposed injection well.



OXY
KAISER FRANCIS
ENDURANCE RESOURCES
Carlsbad Airport
"Carlsbad"
Marathon
HBU S/2
OXY
"Colonia"
Dominion
HBU
Marshall Winston
Winston Stevens
City of Carlsbad
Harold Olive, etal
Mewbourne
Grooms
Devon Ener.
Pennzoil
Sandel
HBC
Spencer Sub.
Marbob, etal
HBP
K-675
State
Dominion
HBP
K 675
Bold Ener.
City of Carlsbad
Chi Ener.
Merland
Mobil
Chaparral
M. R Antweil
HBU
U. Sid Allen, M.I.
Gibson Bros.
Sue Gentry, etal
Hilda P. Davis
Pogo Prod.
Exxon
HBC
Devon En.
Merit Ener.
Dominion
Tex Int Pet. Corp
State
U.S.


Carlsbad Airport
City of Carlsbad
Marathon
Spencer Sub'd
Pogo Prod.
Kaiser-Francis
Carlow Corp.
G. E. Spinnler
Happy Valley Farms
Riverside Farms

ATTACHMENT VI

Data on all wells of public record within the area of review. Included are schematics of the plugged wells that penetrated the proposed injection zone within the area of review.

WELL NAME	API	LOCATION	SPUD DATE	SUR.CASING	INT.CASING	PROD. CASING	COMPLETION
OXY Gopogo #2	30-015-20464	G-24-T22S-R26E	6/1/1971	13 3/8" @ 319' 300 sxs Circ.	9 5/8" @ 5328' 1900 sxs Circ	7" @ 11,810' 860 sxs	11,382-11,482 S. Carlsbad Morrow
Oxy Grace Atlantic #1	30-015-20798	J-24-T22S-R26E	1/28/1973	13 3/8" @ 356' 375 sxs Circ.	9 5/8" @ 5402' 1650 sxs Circ	7" @ 11,768' 500 sxs	11,424-11,444 S. Carlsbad Morrow
Endurance Kuklah Baby #1	30-015-21568	G-24-T22S-R26E	6/18/1975	9 5/8" @ 351' 150 sxs Circ.		5 1/2" @ 4518' 325 sxs T/2400' Temp	4446-4469 S. Carlsbad Delaware
Endurance Merland #1	30-015-21036	J-24-T22S-R26E	1/24/1974	8 5/8" @ 375' 250 sxs Circ.		5 /12" @ 4518' 450 sxs T/1700' Calc.	4454-4464 S. Carlsbad Delaware
Endurance Merland #2	30-015-25355	L-19-T22S-R27E	9/16/1985	8 5/8" @ 597' 500 sxs Circ.		5 1/2" @ 5453' 900 sxs Circ	2769-2781 S. Carlsbad Delaware
Endurance Base Ball Park #2	30-015-25217	P-24-T22S-R26E	4/2/1985	8 5/8" @ 400' 250 sxs Circ.		5 1/2" @ 4600' 1850 sxs Circ.	4230-4256 S. Carlsbad Delaware
Endurance Base Ball Park #4	30-015-25584	H-24-T22S-R26E	4/25/1986	8 5/8" @ 434' 250 sxs Circ.		5 1/2" @ 4600' 650 sxs T/ 485' BL	3150-3165 S. Carlsbad Delaware

WELL NAME	API	LOCATION	SPUD DATE	SUR.CASING	INT.CASING	PROD. CASING	COMPLETION
Plugged Wells							
Endurance Merland SWD	30-015-22980	O-24-T22S-R26E	8/13/1979	8 5/8" @ 399' 400 sxs Circ.		5 1/2" @ 4518 500 sxs T/1420 Bond	
CHI Merland #1	30-015-26266	M-19-22S-27E	2/5/1990	8 5/8"@ 570' 360 sxs Circ.			
Ray Westall Base Ball Park #3	30-015-25578	K-24-T22S-R26E	4/14/1986	8 5/8" @ 425' 250 sxs Circ.		5 1/2" @ 4520' 925 sxs T/400' Temp	
Ray Westall Base Ball Park #5	30-015-25881	A-24-T22S-R26E	6/16/1988	8 5/8" @ 353' 260 sxs Circ		5 1/2" @ 5069' 800 sxs Circ	

RAY WESTALL
BASE BALL PARK #3
30-015-25578

10 SXS

TOC 375'

460' TOC

425' 8 5/8" CSNG
250 SXS CIRCULATED

524 15 SXS (100' PLUG)

1772 15 SXS (100' PLUG)

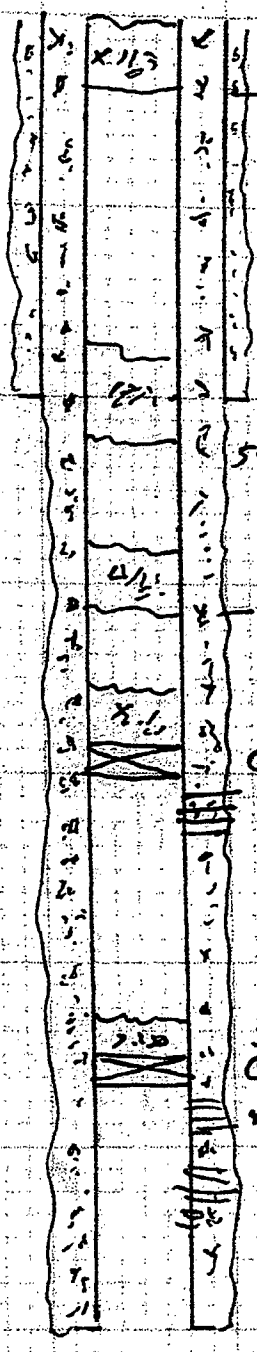
10 SXS PLUG

3089 CIBP

4444-4465 PERFS

4520 5 1/2"
925 SXS

RAY WESTALL
BASE BALL PARK #5
30-015-25881



60' CMT to SURFACE

353' 8 5/8" CSNG
260 SXS CIRCULATED

595 25 SXS

1760 25 SXS

CIBP 2869 25 SXS

PERF 2904 - 2924

35' CMT

CIBP 4442

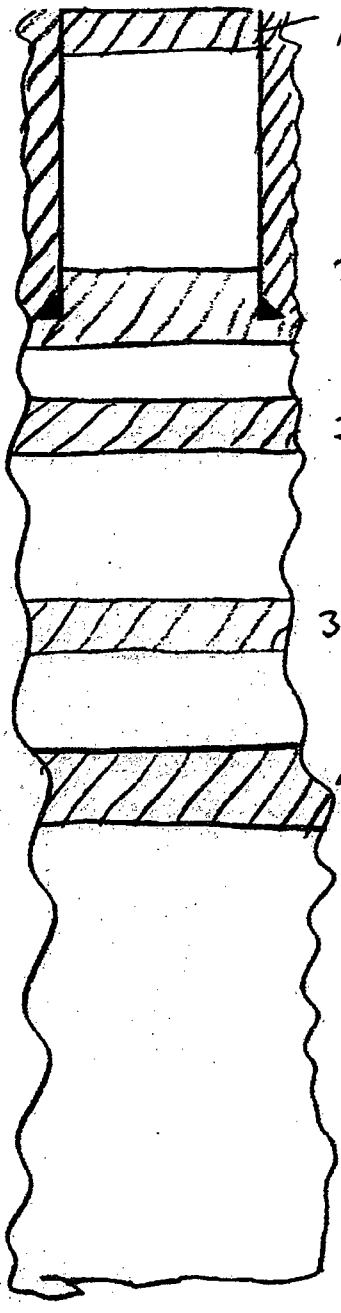
4490 4504

4846 - 4970 PERFS

5069 5½" CSNG
800 SXS CIRCULATED

ENDURANCE RESOURCES
MERLAND SWD

250' PERF 170 SXS CIRCULATE CMT
TOC 275'
400 SXS CMT TO SURFACE
399' 8 5/8" CSNG
1000' PERF 475 SXS
1050' TOC 730 SCS
PERF 1250'
1420' TOC
1740' TOC
220 SXS CMT
3620 CIBP
3670-3720 PERFS
100' CMT
CIBPC 4320
4322-4476 PERFS
500 SXS CMT
4518' 5½" CSNG



Chi Oper.
Merland #1
19-22-27
Darrell Moore
given to David Harrison
2/13/90
887-9073

TX 770

BX 1450

– Delaware 2725

No perfs

TD in Del. 4550'

ATTACHMENT VII

Endurance Resources LLC proposed to convert this to a SWD. Cement squeeze perforations 3152-3160. Pressure test well as OCD requires.

1) Plan to inject approximately 250 bpd of produced water from Endurance Resources LLC own operation on lease.

2) System will be closed.

3) Average injection pressure should be approximately 500#.

4) Water from the offset production if from the S. Carlsbad Delaware.

ATTACHMENT VIII

The proposed injection zone is sands of the Delaware formation. In this area theDelaware is approximately 3300' thick and consists of shales and sand. In the proposed disposal well the Delaware is at 1932'.

There is possible drinking water overlying the injection in the surface sands at a depth of 0-250'. New Mexico State Engineer report attached.

ATTACHMENT IX

No stimulation proposed.

ATTACHMENT XI

There are two active water analysis attached .

New Mexico Office of the State Engineer
Wells with Well Log Information

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (in feet)

POD Number	Sub basin	Use	County	Source	q q q 64 16 4	Sec	Twp	Rng	X	Y	Distance	Start Date	Finish Date	Log File Date	Depth Well	Depth Water
C 00651	C	DOM	ED			24	22S	26E	570858	3582581*	0	04/25/1955	05/08/1955	05/23/1955	160	
C 03156	C	DOL	ED	Shallow	2 1 4	24	22S	26E	571182	3582467*	343	02/15/2006	02/27/2006	03/13/2006	170	94

Record Count: 2

Basin/County Search:

Basin: Carlsbad **County:** Eddy

UTMNAD83 Radius Search (in meters):

Easting (X): 570858 **Northing (Y):** 3582581 **Radius:** 500

Usage Filter:

Use: All Usages

›n was derived from PLSS - see Help

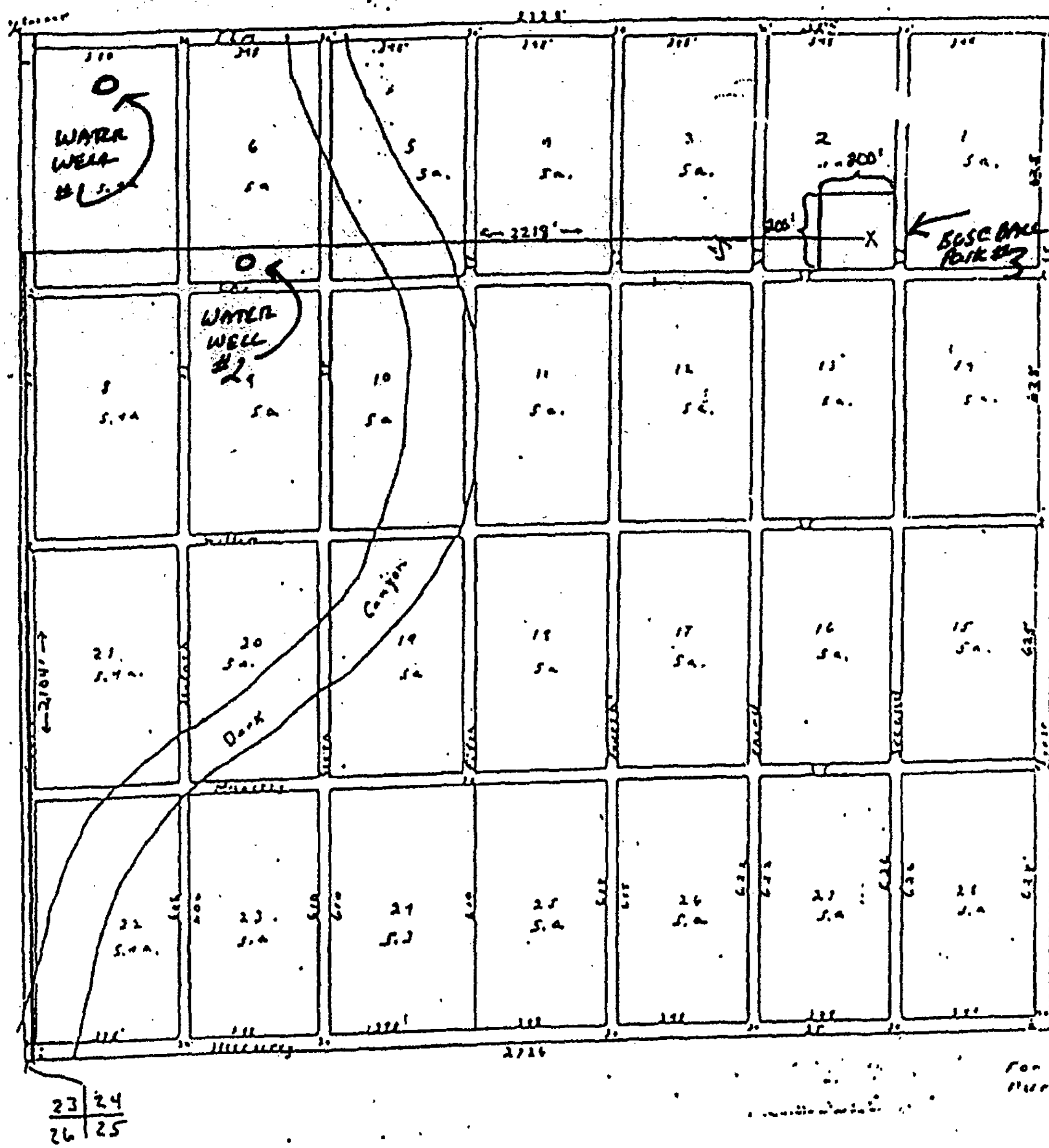
urnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, ability, or suitability for any particular purpose of the data.

WALLING HEIGHTS

A Subdivision of

SW¼ of Sec. 24 Tp 2

Range 26 E N.M.



For Assessment Purposes only

DWL 451-B

DOWELL DIVISION OF DOW CHEMICAL U.S.A.

An Operating Unit of The Dow Chemical Company

LABORATORY LOCATION

API WATER ANALYSIS REPORT FORM

DATE

LAB NO

Company		Sample No.	Date Sampled
Ray West AII		1	5-19-57
Field	**Legal Description**	**County or Parish**	**State**
Domestic Water Well		Eddy	NM
Lease or Unit	**Well**	**Depth**	**Formation**	**Water, B/D**
Irving Main Water Well		62'		
Type of Water (Produced, Supply, etc.)	**Sampling Point**	**Sampled By**
	Windmill	GG

DISSOLVED SOLIDS

CATIONS

	mg/L	me/L
Sodium, Na (calc.)	0	0
Calcium, Ca	1000	50
Magnesium, Mg	3042	250
Barium, Ba		

ANIONS

	mg/L	me/L
Chloride, Cl	3550	100
Sulfate, SO_4	200	4
Carbonate, CO_3		
Bicarbonate, HCO_3	79	1.3

Total Dissolved Solids (calc.)

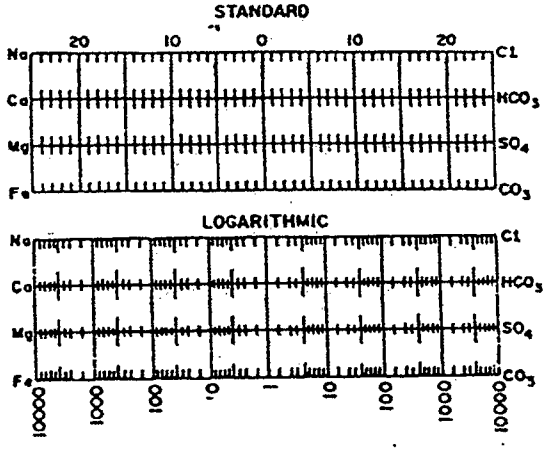
Iron, Fe (total) 1

Sulfide, as H_2S

OTHER PROPERTIES

pH	6½
Specific Gravity, 60/60 F.	1.000
Resistivity (ohm-meters)_____F.	

WATER PATTERNS — me/L



REMARKS & RECOMMENDATIONS:

ANALYSIS BASED ON API RECOMMENDED PROCEDURE

DWL-451-B

DOWELL DIVISION OF DOW CHEMICAL U.S.A.

An Operating Unit of The Dow Chemical Company

LABORATORY LOCATION

API WATER ANALYSIS REPORT FORM

DATE

LAB NO

Company			Sample No.	Date Sampled
Ray Westall			2	5-19-87
Field	**Legal Description**		**County or Parish**	**State**
Domestic Water Well			Eddy	NM
Lease or Unit	**Well**	**Depth**	**Formation**	**Water, B/D**
[redacted] Due west of	Baseball Park #3	105		
Type of Water (Produced, Supply, etc.)	**Sampling Point**			**Sampled By**
	Windmill			C.G.

DISSOLVED SOLIDS

CATIONS	mg/L	me/L
Sodium, Na (calc.)	0	0
Calcium, Ca	1000	50
Magnesium, Mg	1825	150
Barium, Ba		

ANIONS	mg/L	me/L
Chloride, Cl	3550	100
Sulfate, SO_4	200	4
Carbonate, CO_3		
Bicarbonate, HCO_3	79	1.3

Total Dissolved Solids (calc.)

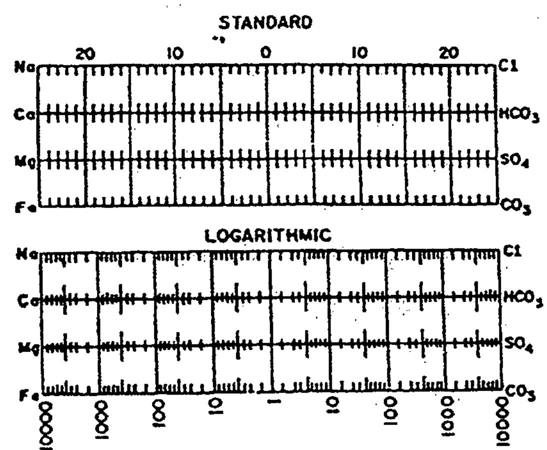
Iron, Fe (total) 1

Sulfide, as H_2S

OTHER PROPERTIES

pH	6½
Specific Gravity, 60/60 F.	1.000
Resistivity (ohm-meters) ___ F.	

WATER PATTERNS — me/L



REMARKS & RECOMMENDATIONS:

ANALYSIS BASED ON API RECOMMENDED PROCEDURE

ATTACHMENT XII

I, Randall L. Harris, have examined all available geologic and engineering data and there is no evidence of open faults or any other hydrologic connection between the disposal zone and any source of drinking water.

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

CARLSBAD NM 88220 OFFICIAL USE

Postage	$ $1.68	0612
Certified Fee	$2.85	04
Return Receipt Fee (Endorsement Required)	$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	OCT 14 2011
Total Postage & Fees	$ $6.83	10/14/2011

ARTESIA NM USPS 88210

7008 3230 0002 1722 3217

Sent To MERCHAND INC.
Street, Apt. No.; or PO Box No. 302 N. CANAC
City, State, ZIP+4 CARLSBAD, NM 88220

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service
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Restricted Delivery Fee (Endorsement Required)	$0.00	OCT 14 2011
Total Postage & Fees	$ $6.83	10/14/2011

ARTESIA NM USPS 88210

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Return Receipt Fee (Endorsement Required)	$2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	$0.00	OCT 14 2011
Total Postage & Fees	$ $6.83	10/14/2011

ARTESIA NM USPS 88210

7008 3230 0002 1722 3217

Sent To KAISER-FRANCIS OIL CO
Street, Apt. No.; or PO Box No. P.O. Box 21468
City, State, ZIP+4 TULSA, OK 74121-1468

PS Form 3800, August 2006 See Reverse for Instructions