



ENDURANCE  
RESOURCES

December 31, 2013

Chevron U.S.A. Inc.  
1400 Smith St.  
Houston, TX 77002  
Attn: Jason Levine

*Via Certified Mail*

Re: Starcaster 18 Federal #4H Well Proposal  
E/2E/2 of Section 18, T23S, R34E, NMPM  
Lea County, New Mexico

Dear Mr. Levine,

Endurance Resources, LLC. ("Endurance"), hereby submits an Authority for Expenditure ("AFE"), for the drilling and completing of the Starcaster 18 Federal #4H Well ("Well") located on the lands referenced above. The estimated AFE cost for the Well is \$7,010,055.00. The Well will be drilled to an estimated total vertical depth of 10,444' to test the Second Bone Spring interval with an estimated total measured depth of 14,800'. The Well will have a surface location of 330' FNL and 660' FEL with a bottom hole location of 330' FSL & 660' FEL.

Endurance is also proposing to form a Joint Operating Agreement ("JOA") covering all of Section 18, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, covering all depths, subject to a mutually acceptable JOA form. Endurance would serve as operator under the JOA.

Please return a fully executed AFE and a signed copy of this letter indicating your election to this proposal by signing and returning to the undersigned. I will send a JOA to your attention for review if you elect to participate in the drilling of the Well. Should you not want to participate in the drilling of the Well, then Endurance would be interested in negotiating a Term Assignment covering all of Section 18, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

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

Sincerely,

Endurance Resources, LLC.

Jason South, CPL  
Landman

BEFORE THE OIL  
CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 4  
Submitted by: CHEVRON USA INC.  
Hearing Date: February 20, 2014

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203 WEST WALKER SUITE 1000 MIDLAND TEXAS 79701

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



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The undersigned elects the following election:

\_\_\_\_\_ Elect to participate in the drilling of the Starcaster 18 Federal #4H Well

\_\_\_\_\_ Elect not to participate in the drilling of the Starcaster 18 Federal #4H Well

By: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

