

	Endurance Starcaster 4H AFE	Chevron Bell Lake 1H AFE	Endurance - Total AFE costs per Final Drilling Reports	
			Telecaster 3H	Telecaster 4H
Drilling	\$2,240,242	\$4,194,128	\$2,419,026	\$2,972,328
Completion				
Multi-Stage Frac Costs	\$2,400,000	\$1,200,000	\$2,612,373	\$2,450,000
Other Completion Costs	<u>\$1,681,160</u>	<u>\$1,531,961</u>	<u>\$1,027,956</u>	<u>\$1,484,296</u>
Total	\$4,081,160	\$2,731,961	\$3,640,329	\$3,934,296
Facilities	\$688,654	\$2,940,196	\$818,190	\$
Total AFE Costs:	<u>\$7,010,055</u>	<u>\$9,866,258</u>	<u>\$6,877,546</u>	<u>\$6,906,624</u>

Date : 02/17/2014 4:54:03PM

ECONOMIC PROJECTION

Project Name : ORIENTATION
Partner : All Cases
Case Type : LEASE CASE
Archive Set : default

As Of Date : 01/01/2014
Discount Rate (%) : 10.00
All Cases

Case : N-S 2ND BONE SPRING - AVG RECOVER
Reserve Cat. : Proved Producing
Field :
Operator :
Reservoir :
Co., State : Lea, NM

Cum Oil (Mbbbl) : 0.00
Cum Gas (MMcf) : 0.00
Cum NGL (Mgal) : 0.00

Year	Gross Oil (Mbbbl)	Gross Gas (MMcf)	Gross NGL (Mgal)	Net Oil (Mbbbl)	Net Gas (MMcf)	Net NGL (Mgal)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	NGL Price (\$/gal)	Total Revenue (M\$)
2014	54.46	77.61	0.00	43.57	62.08	0.00	93.64	4.25	0.00	4,343.44
2015	38.27	54.53	0.00	30.61	43.62	0.00	87.14	4.20	0.00	2,850.69
2016	26.57	37.87	0.00	21.26	30.29	0.00	82.61	4.16	0.00	1,882.27
2017	20.86	29.73	0.00	16.69	23.78	0.00	79.74	4.18	0.00	1,430.12
2018	17.46	24.88	0.00	13.97	19.90	0.00	78.04	4.23	0.00	1,174.09
2019	15.14	21.58	0.00	12.11	17.26	0.00	77.12	4.32	0.00	1,008.88
2020	13.49	19.22	0.00	10.79	15.37	0.00	77.12	4.32	0.00	898.49
2021	12.15	17.31	0.00	9.72	13.85	0.00	77.12	4.32	0.00	809.42
2022	11.12	15.84	0.00	8.89	12.67	0.00	77.12	4.32	0.00	740.62
2023	10.27	14.64	0.00	8.22	11.71	0.00	77.12	4.32	0.00	684.38
2024	9.59	13.67	0.00	7.67	10.94	0.00	77.12	4.32	0.00	639.10
2025	8.97	12.78	0.00	7.17	10.22	0.00	77.12	4.32	0.00	597.34
2026	8.43	12.01	0.00	6.74	9.61	0.00	77.12	4.32	0.00	561.46
2027	7.92	11.29	0.00	6.34	9.03	0.00	77.12	4.32	0.00	527.80
2028	7.47	10.64	0.00	5.97	8.51	0.00	77.12	4.32	0.00	497.47

Rem	103.35	147.27	0.00	82.68	117.82	0.00	77.12	4.32	0.00	6,885.21
Total	365.51	520.86	0.00	292.41	416.68	0.00	81.22	4.27	0.00	25,530.78
Ult	365.51	520.86	0.00							

Year	Well Count	Net Tax Production (M\$)	Net Tax AdValorem (M\$)	Net Investment (M\$)	Net Lease Costs (M\$)	Net Well Costs (M\$)	Other Costs (M\$)	Net Profits (M\$)	Annual Cash Flow (M\$)	Cum Disc. Cash Flow (M\$)
2014	1.00	310.88	8.69	7,000.00	0.00	13.50	190.61	0.00	-3,180.24	-3,299.93
2015	1.00	204.15	5.70	0.00	0.00	18.00	133.93	0.00	2,488.91	-1,133.67
2016	1.00	134.85	3.76	0.00	0.00	18.00	93.01	0.00	1,632.65	156.14
2017	1.00	102.50	2.86	0.00	0.00	18.00	73.02	0.00	1,233.75	1,041.59
2018	1.00	84.18	2.35	0.00	0.00	18.00	61.10	0.00	1,008.46	1,699.38
2019	1.00	72.36	2.02	0.00	0.00	18.00	53.00	0.00	863.50	2,211.32
2020	1.00	64.44	1.80	0.00	0.00	18.00	47.20	0.00	767.05	2,624.64
2021	1.00	58.05	1.62	0.00	0.00	18.00	42.52	0.00	689.23	2,962.21
2022	1.00	53.12	1.48	0.00	0.00	18.00	38.91	0.00	629.11	3,242.32
2023	1.00	49.08	1.37	0.00	0.00	18.00	35.95	0.00	579.97	3,477.07
2024	1.00	45.84	1.28	0.00	0.00	18.00	33.58	0.00	540.41	3,675.90
2025	1.00	42.84	1.19	0.00	0.00	18.00	31.38	0.00	503.92	3,844.43
2026	1.00	40.27	1.12	0.00	0.00	18.00	29.50	0.00	472.57	3,988.12
2027	1.00	37.85	1.06	0.00	0.00	18.00	27.73	0.00	443.16	4,110.62
2028	1.00	35.68	0.99	0.00	0.00	18.00	26.13	0.00	416.66	4,215.32

Rem.	493.81	13.77	0.00	0.00	630.00	361.72	0.00	5,585.91	594.04
Total	1,829.89	51.06	7,000.00	0.00	895.50	1,279.29	0.00	14,475.03	4,809.36

Perfs :
Initial Rate : 9,910.00 bbl/month
Abandonment : 69.04 bbl/month
Initial Decline : 90.00 % year b = 1.400
Beg Ratio : 1.425 Mcf/bbl
End Ratio : 1.425 Mcf/bbl

Abandonment Date : 12/31/2063
Working Int : 1.00000000
Revenue Int : 0.80000000
Disc. Initial Invest. (M\$) : 6,918.336
ROI Investment (disc/undisc) : 1.70 / 3.07
Years to Payout : 2.39
Internal ROR (%) : 35.90

Present Worth Profile (M\$)

PW 5.00% : 7,799.06
PW 8.00% : 5,781.92
PW 10.00% : 4,809.36
PW 12.00% : 4,028.03
PW 15.00% : 3,102.84
PW 20.00% : 1,980.12

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Date : 02/19/2014 3:53:12PM

ECONOMIC PROJECTION

Project Name : ORIENTATION
Partner : All Cases
Case Type : LEASE CASE
Archive Set : default

As Of Date : 01/01/2014
Discount Rate (%) : 10.00
CHEVRON - 73587 RECOVERY

Case : CHEVRON - 73587 RECOVERY
Reserve Cat. : Proved Producing
Field :
Operator :
Reservoir :
Co., State : Lea, NM

Cum Oil (Mbbbl) : 0.00
Cum Gas (MMcf) : 0.00
Cum NGL (Mgal) : 0.00

Year	Gross Oil (Mbbbl)	Gross Gas (MMcf)	Gross NGL (Mgal)	Net Oil (Mbbbl)	Net Gas (MMcf)	Net NGL (Mgal)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	NGL Price (\$/gal)	Total Revenue (M\$)
2014	11.29	16.10	0.00	9.04	12.88	0.00	93.64	4.25	0.00	900.81
2015	7.94	11.31	0.00	6.35	9.05	0.00	87.14	4.20	0.00	591.22
2016	5.51	7.85	0.00	4.41	6.28	0.00	82.61	4.16	0.00	390.38
2017	4.33	6.17	0.00	3.46	4.93	0.00	79.74	4.18	0.00	296.60
2018	3.62	5.16	0.00	2.90	4.13	0.00	78.04	4.23	0.00	243.50
2019	3.14	4.48	0.00	2.51	3.58	0.00	77.12	4.32	0.00	209.24
2020	2.80	3.99	0.00	2.24	3.19	0.00	77.12	4.32	0.00	186.34
2021	2.52	3.59	0.00	2.02	2.87	0.00	77.12	4.32	0.00	167.87
2022	2.31	3.29	0.00	1.84	2.63	0.00	77.12	4.32	0.00	153.60
2023	2.13	3.04	0.00	1.70	2.43	0.00	77.12	4.32	0.00	141.94
2024	1.99	2.84	0.00	1.59	2.27	0.00	77.12	4.32	0.00	132.55
2025	1.86	2.65	0.00	1.49	2.12	0.00	77.12	4.32	0.00	123.89
2026	1.75	2.49	0.00	1.40	1.99	0.00	77.12	4.32	0.00	116.45
2027	1.64	2.34	0.00	1.31	1.87	0.00	77.12	4.32	0.00	109.46
2028	1.55	2.21	0.00	1.24	1.77	0.00	77.12	4.32	0.00	103.17

Rem	19.22	27.38	0.00	15.37	21.91	0.00	77.12	4.32	0.00	1,280.24
Total	73.59	104.86	0.00	58.87	83.89	0.00	81.35	4.27	0.00	5,147.27
Ult	73.59	104.86	0.00							

Year	Well Count	Net Tax Production (M\$)	Net Tax AdValorem (M\$)	Net Investment (M\$)	Net Lease Costs (M\$)	Net Well Costs (M\$)	Other Costs (M\$)	Net Profits (M\$)	Annual Cash Flow (M\$)	Cum Disc. Cash Flow (M\$)
2014	1.00	64.47	1.80	9,800.00	0.00	13.50	39.53	0.00	-9,018.49	-8,945.31
2015	1.00	42.34	1.18	0.00	0.00	18.00	27.78	0.00	501.92	-8,508.41
2016	1.00	27.97	0.78	0.00	0.00	18.00	19.29	0.00	324.34	-8,252.15
2017	1.00	21.26	0.59	0.00	0.00	18.00	15.14	0.00	241.61	-8,078.74
2018	1.00	17.46	0.49	0.00	0.00	18.00	12.67	0.00	194.89	-7,951.61
2019	1.00	15.01	0.42	0.00	0.00	18.00	10.99	0.00	164.82	-7,853.89
2020	1.00	13.36	0.37	0.00	0.00	18.00	9.79	0.00	144.82	-7,775.85
2021	1.00	12.04	0.34	0.00	0.00	18.00	8.82	0.00	128.68	-7,712.82
2022	1.00	11.02	0.31	0.00	0.00	18.00	8.07	0.00	116.21	-7,661.08
2023	1.00	10.18	0.28	0.00	0.00	18.00	7.46	0.00	106.02	-7,618.16
2024	1.00	9.51	0.27	0.00	0.00	18.00	6.96	0.00	97.81	-7,582.17
2025	1.00	8.89	0.25	0.00	0.00	18.00	6.51	0.00	90.24	-7,551.99
2026	1.00	8.35	0.23	0.00	0.00	18.00	6.12	0.00	83.74	-7,526.53
2027	1.00	7.85	0.22	0.00	0.00	18.00	5.75	0.00	77.64	-7,505.06
2028	1.00	7.40	0.21	0.00	0.00	18.00	5.42	0.00	72.15	-7,486.93

Rem.	91.82	2.56	0.00	0.00	459.13	67.26	0.00	659.48	89.14
Total	368.92	10.29	9,800.00	0.00	724.63	257.56	0.00	-6,014.13	-7,397.79

Perfs : Oil
0 - 0
Initial Rate : 2,055.30 bbl/month
Abandonment : 25.75 bbl/month
Initial Decline : 90.00 % year b = 1.400
Beg Ratio : 1.425 Mcf/bbl
End Ratio : 1.425 Mcf/bbl

Abandonment Date : 07/06/2054
Working Int : 1.00000000
Revenue Int : 0.80000000
Disc. Initial Invest. (M\$) : 9,685.670
ROI Investment (disc/undisc) : 0.24 / 0.39
Years to Payour : 0.00
Internal ROR (%) : < 0

Present Worth Profile (M\$)

PW 5.00% : -6,939.78
PW 8.00% : -7,247.07
PW 10.00% : -7,397.79
PW 12.00% : -7,518.90
PW 15.00% : -7,660.76
PW 20.00% : -7,827.12

10-3

Endurance Resources, LLC15455 Dallas Parkway, Suite 1050
Addison TX 75001**Telecaster 30-3H****Operation Summary: Completions**

DISTRICT	PROJECT GROUP	COUNTY	FIELD NAME	SURFACE LOCATION
PERMIAN BASIN	PB NM	LEA	Bell Lake: Bone Spring	SEC 30-23S-34E; 330' FNL & 1980' FEL
API #	GROUND ELEVATION (FT)	KB ELEVATION (FT)	KB - GL (FT)	AFE TOTAL
30-025-41455	3585	18	3603	\$6,903,419
START DATE	REPORT DAY	12/28/2013	DAYS FROM START	72

FEET MADE (24HR)	0	DAILY COST	\$ 219,570.00	CUM FIELD EST TO DATE	\$ 6,877,546.00
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24 HOUR SUMMARY:**FLOW WELL. TURN TO BATTERY**

START TIME	END TIME	OPERATION	SUMMARY
6:00AM	6:00AM	FLOW BACK	TURNED WELL TO PRODUCTION EQUIPMENT AT 8AM. FILLING PRODUCTION EQUIPMENT. AT REPORT TIME, WELL MADE 8 BO, 907 BW, & 197 MCF IN THE LAST 24HRS. WELL ON 18/64" CHOKE FLOWING AT 2375PSI. TURN WELL OVER TO PRODUCTION DEPARTMENT. FINAL COMPLETION REPORT.

ITEM	COST CODE	COST (EST)	VENDOR	CARRY FORWARD?
FRAC STACK		\$ 300.00	PERFORMANCE	Y
FRAC TANKS		\$ 500.00	STONE	Y
LIGHT PLANTS		\$ 600.00	PRESTIGE	Y
WATER HAUL		\$ 6,000.00	STEVE KENT	
COIL		\$ 116,000.00	LEGEND	
PORTA POTTY'S/TRASH		\$ 70.00	WHITE TRASH TRAILERS	Y
MANIFOLD		\$ 500.00	S&D	Y
MAN LIFT		\$ 300.00	SD SERVICES	Y
FRAC TANKS		\$ 300.00	GLOBE	Y
TOOLS		\$ 65,000.00	VIKING	
PLUG CATCHER		\$ 20,000.00	SD SERVICES	
WATER TRANSFER		\$ 10,000.00	BLUE WATER	
		\$ 219,570.00		

10-4

Endurance Resources, LLC15455 Dallas Parkway, Suite 1050
Addicks TX 75001**Telecaster 30-4H****Operation Summary: New Drill**

DISTRICT	PROJECT GROUP	COUNTY	FIELD NAME	SURFACE LOCATION
PERMIAN BASIN	PB NM	LEA	Bell Lake: Bone Spring	SEC 30-23S-34E; 330' FNL & 660' FEL
API#	GROUND ELEVATION (FT)	KB ELEVATION (FT)	KB - GL (FT)	AFE TOTAL
30-025-41456	3593	22	3615	\$6,903,419
START DATE	REPORT DAY	DAYS FROM START		
11/8/2013	2/16/2014	100		

FEET MADE (24HR)	DAILY COST	CUM FIELD EST TO DATE
24 HOUR SUMMARY:	\$ 4,500.00	\$ 6,906,624.00
	FLOW WELL BACK	

START TIME	END TIME	OPERATION	
6:00AM	6:00AM	FLOWBACK	24HR FLOWBACK REPORT: MADE 1004 BO & 2,677 BW ON A 38/64" CHOKE W/ 1550 PSI FLOWING CSG PRESSURE. FLARED 320 MCF CURRENT GAS RATE= 2000MCF/D FLARED. TURNED TO BATTERY AT 8:00 PM. CONTINUE TO INCREASE CHOKE TO ACHIEVE 150 BWPH RATE. RELEASED WELL TO PRODUCTION. FINAL REPORT.

ITEM	COST CODE	COST (EST)	VENDOR	CARRY FORWARD?
FRAC VALVE		\$ 350.00	PERFORMANCE	
TANKS		\$ 1,000.00	LTR	
LIGHT PLANTS		\$ 500.00	PRESTIGE	
POTTY		\$ 75.00	WHITE TRASH	
TRAILER		\$ 75.00	OIL PATCH	
FLOWBACK		\$ 2,500.00	OFT	
		\$ 4,500.00		

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