

DATE IN 7/13/15	SUSPENSE	ENGINEER MAM	LOGGED IN 7/13/15	TYPE DHC	APP NO pMAM151943	3961
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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 _____

[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.

Larry Click

Print or Type Name

[Signature]
Signature

LANDMAN

Title

7-14-15

Date

LCLICK@EERONLINE.COM
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Bravo 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

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

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☐ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☐ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Endeavor Energy Resources, L.P., 110 N. Marienfeld Street, Suite 200 Midland, Texas 79701

Operator _____ Address _____
Red Bull "3" Federal 1 Well No. D, Sec. 3, T26S, R33E, Lea Co. NM
Lease Unit Letter-Section-Township-Range County
OGRID No. 190595 Property Code _____ API No. 30-025-39812 Lease Type: X Federal _____ State _____ Fee _____

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Red Hills, Bone Spring		Red Hills Wolfcamp (Gas)
Pool Code	51020		83600
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9200' 12,254'		12,357' 13,560'
Method of Production (Flowing or Artificial Lift)	Pumping Unit		Pumping Unit
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	5005 PSI		5420 PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	47.9		
Producing, Shut-In or New Zone			
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date 8/29/2011 <u>S2</u> Rates: 35/54/91	Date: Rates:	Date: 3/8/2011 <u>S1</u> Rates: 32/62/64
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas S2 52% <u>BS</u> 47% S1 48% <u>WC</u> 53%	Oil Gas % %	Oil Gas S2 52% 47% <u>BS</u> S1 48% 53% <u>WC</u>

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes _____ No ☒
Yes ☒ No _____

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No _____

Will commingling decrease the value of production?

Yes _____ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No _____

NMOC Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingling showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE _____ TITLE Regulatory Analyst

DATE 06/18/2015

7/15/15 1519433261
received
7-13-2015

On hold
gls not
to be
certified
mailing

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals & Natural Resources

Form C-104
Revised August 1, 2011

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

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Endeavor Energy Resources, LP 110 N. Marienfeld Street, Suite 200 Midland, Texas 79701		² OGRID Number 190595
		³ Reason for Filing Code/ Effective Date
⁴ API Number 30 - 025-39812	⁵ Pool Name Red Hills, Bone Spring North/ Red Hills Wolfcamp Gas	⁶ Pool Code 96434 and 83600
⁷ Property Code	⁸ Property Name Red Bull "3" Federal	⁹ Well Number 1

II. ¹⁰ Surface Location

UL or lot no. D	Section 3	Township 26S	Range 33E	Lot Idn	Feet from the 660	North/South Line North	Feet from the 660	East/West line WEST	County Lea
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¹¹ Bottom Hole Location

UL or lot no. D	Section 3	Township 26S	Range 33E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 660	East/West line WEST	County Lea
¹² Lse Code F	¹³ Producing Method Code F	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
298751	Regency Gas Services, LLC 2001 Bryan Street Suite 3700 Dallas, Texas 75201	G
166418	Oasis Transp & Marking Corp. 2508 FM 307 Midland, Texas 79706	O

IV. Well Completion Data

²¹ Spud Date 09/11/2010	²² Ready Date 08/29/2012	²³ TD 13900	²⁴ PBDT 13889	²⁵ Perforations 9200 - 13560	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
17 1/2	13 3/8	948	830		
12 1/4	9 5/8	4899	1400		
8 3/4	7	12328	1500		
6 1/8	5	13898	230		

V. Well Test Data

³¹ Date New Oil 08/29/2012	³² Gas Delivery Date 08/29/2012	³³ Test Date 08/29/2012	³⁴ Test Length 24 HR.	³⁵ Tbg. Pressure 5700	³⁶ Csg. Pressure 2500
³⁷ Choke Size 11/64	³⁸ Oil 35/32	³⁹ Water 91/64	⁴⁰ Gas 54/62		⁴¹ Test Method P

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:
Jan South

Title:
Regulatory Analyst

E-mail Address:
jsouth@ecronline.com

Date:
06/18/2015

Phone:
432-687-1575

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

RECEIVED

JUN 18 2010

HOBBSDO

DISTRICT I
1625 N. FRENCH DR., HOBBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1990 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT IV
1990 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39812	Pool Code 83600	Pool Name RED HILLS-WOLFCAMP GAS
Property Code 38222	Property Name RED BULL 3 FEDERAL	Well Number 1
OGRI No. 190595	Operator Name ENDEAVOR ENERGY RESOURCES, L.P.	Elevation 3320'

Surface Location

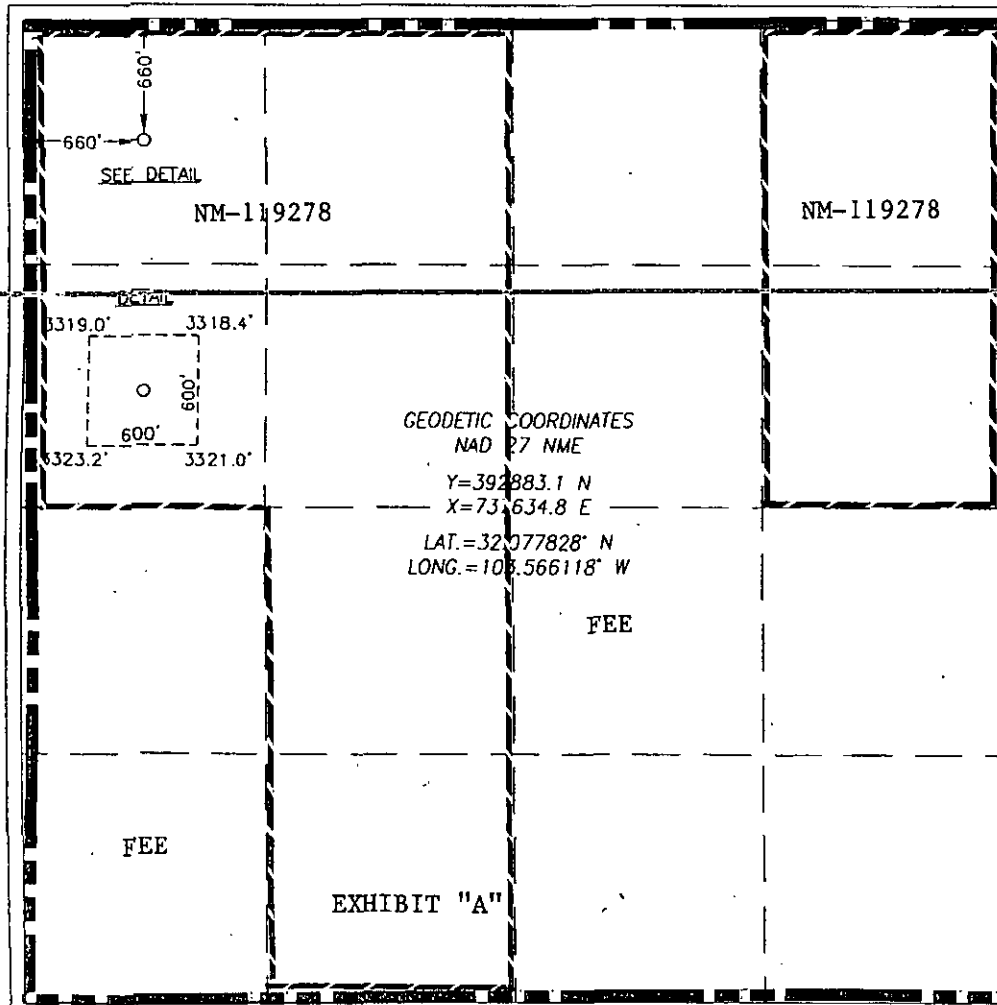
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	26-S	33-E		660	NORTH	660	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

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



OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Joe T. Janica</i> Signature Date Joe T. Janica 04/30/10 Printed Name	
SURVEYOR CERTIFICATION 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. <i>GARY C. EIDSON</i> Date Surveyed Signature & Seal Professional Surveyor APR 17 2010 10.11.0499 Certificate No. GARY C. EIDSON 12641 RONALD J. EIDSON 3239	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 293-6161 Fax: (575) 391-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1287 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3464 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-39812	Pool Code 96434	Pool Name RED HILLS, BONE SPRING NORTH
Property Code 38222	Property Name RED BULL 3 FEDERAL	Well Number 1
GRID No. 190595	Operator Name ENDEAVOR ENERGY RESOURCES, LP	Elevation 3320'

Surface Location

U.I. or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	26-S	33-E		660	NORTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

U.I. or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

	GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 397883.1 N X= 737634.8 E LAT.= 32.077828° N LONG.= 103.566118° W		
	240 A.C.	DETAIL 3319.0' 3318.4' 600' 3323.2' 3321.0'	

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or, if not, has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

JAN SOUTH

Printed Name

JSOUTH@EETRONLINE.COM
E-mail Address

SURVEYOR CERTIFICATION

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.

APRIL 7, 2010

Date of Survey

Signature & Seal of Professional Surveyor:

Ronald J. Eidson 04/24/2015
 Certificate Number
 Gary G. Eidson 72641
 Ronald J. Eidson 3239

LSL REL. W.O.: 10110499 JWSC W.O.: 15130672

DONE SPRINGS



Mobile Analytical Laboratories, Inc.

LABORATORIES IN ODESSA, GIDDINGS & STACY DAM
Billing Address: P.O. BOX 88210 • ODESSA, TEXAS 79769-0210
Shipping Address: 2800 WESTOVER STREET • ODESSA, TEXAS 79764
PHONE (432) 337-4744
FAX (432) 337-8781

MR. KELVIN FISHER
ENDRAVOR ENERGY RESOURCES
110 N. MARIENFELD, STE 200
MIDLAND, TEXAS 79701

AUGUST 02, 2012

DEAR MR. FISHER:

THE FOLLOWING IS THE DISTILLATION RESULT FROM THE RED BULL 3
FED #1 SAMPLE, RECEIVED 08/01/12, LAB NO. 12622:

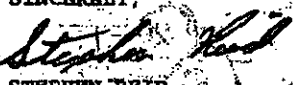
DISTILLATION RESULTS

<u>PERCENT OVER</u>		<u>TEMPERATURE, DEG/F</u>
<u>FIRST DROP</u>		113
5%		176
10%		205
20%		259
30%		310
40%		400
50%		484
60%		565
70%		654
80%		708
90%		740
<u>END POINT</u>		740
RECOVERY	96 %	API GRAVITY 44.0 @ 60°F
RESIDUE	2 %	SPECIFIC GR. 0.8065 @ 60°F
LOSS	2 %	COLOR YELLOW

METHOD: DISTILLATION ASTM D-86.

WE APPRECIATE THE OPPORTUNITY TO WORK WITH YOU ON THESE TESTS.
IF YOU HAVE ANY QUESTIONS OR REQUIRE ANY FURTHER INFORMATION,
PLEASE FEEL FREE TO CONTACT ME AT ANY TIME.

SINCERELY,


STEPHEN REID
SR/md

MANLEY GAS TESTING, INC.
P.O. DRAWER 193 ODESSA, TEXAS 79760
OFFICE(432)367-3024 FAX(432)367-1166 E-MAIL: MANLEYGAS@aol.com

CHARGE..... 99 - 1 DATE SAMPLED..... 08-01-12
REC. NO. 0 DATE RUN..... 08-02-12
TEST NUMBER.. 28056 EFFEC. DATE..... --

STATION NO.

SAMPLE NAME.... RED BULL #3 PED #1
RECEIVED FROM.. ENDEAVOR
LOCATION MIDLAND TEXAS

FLOWING PRESSURE 25 PSIG FLOWING TEMPERATURE 100 F

SAMPLED BY: NH

CYLINDER NO. ...

FRACTIONAL ANALYSIS
CALCULATED @ 14.650 PSIA AND 60F

	MOLE	GPM (REAL)	
HYDROGEN SULFIDE...	0.000		
NITROGEN.....	2.230		
CARBON DIOXIDE.....	7.245		
METHANE.....	67.492		
ETHANE.....	11.747	3.1369	
PROPANE.....	6.832	1.8794	
ISO-BUTANE.....	0.827	0.2702	
NOR-BUTANE.....	1.996	0.6283	
ISO-PENTANE.....	0.486	0.1774	'Z' FACTOR (DRY) = 0.9958
NOR-PENTANE.....	0.496	0.1796	'Z' FACTOR (WET) = 0.9954
HEXANES +.....	0.649	0.2828	
TOTALS	100.000	6.5546	

..CALCULATED SPECIFIC GRAVITIES..

IDEAL, DRY..... 0.8335
IDEAL, WET 0.8298
REAL, DRY 0.8367
REAL, WET 0.8333

..CALCULATED GROSS HEATING VALUES..

BTU/CF - IDEAL, DRY 1222.2
BTU/CF - IDEAL, WET 1201.7
BTU/CF - REAL, DRY 1227.4
BTU/CF - REAL, WET 1207.3

DISTRIBUTION AND REMARKS:

E-MAIL: RONNIE@EERONLINE.COM / NOLAN@EERONLINE.COM

ANALYZED BY: JT

APPROVED: 

MOBILE ANALYTICAL LABORATORIES, INC.

P.O. BOX 69210
ODESSA, TEXAS 79769
PHONE (432) 337-4744

9848

ANALYSIS REPORT

COMPANY . . .	WELL TESTING	STATION
LEASE/PLANT	RED BULL 3 FED #1	PRESS. PSIG
OPERATOR . .	ENDEAVOR	TEMP. DEG. F
CYLINDER . .	32	SAMPLED / RECEIVED
H2S PPM . . .	NOT TESTED	02/14/11
		SAMPLED BY MW

FRACTIONAL ANALYSIS

COMPONENT	MOL %	GPM C2+	GPM C5+
NITROGEN	0.932	0.000	0.000
CARBON DIOXIDE . . .	0.255	0.000	0.000
METHANE	76.622	0.000	0.000
ETHANE	12.379	3.305	0.000
PROPANE	5.614	1.544	0.000
ISO-BUTANE	0.721	0.236	0.000
N-BUTANE	1.598	0.503	0.000
ISO-PENTANE	0.384	0.140	0.140
N-PENTANE	0.432	0.156	0.156
HEXANES PLUS	1.063	0.463	0.463
TOTALS	100.000	6.347	0.759

CALC. SP.GRAVITY 0.755

BTU/CU. FT. (14.650 PSIA, 60 DEG. F)

CALC. GROSS WET 1276

CALC. GROSS DRY 1298

DISTRIBUTION:
MS. JUDY FUENTES

NOTES:

REPORT DATE: 02/14/11

Wolfcamp



Mobile Analytical Laboratories, Inc.

LABORATORIES IN ODESSA, GIDDINGS & STACY DAM
Billing Address: P.O. BOX 89210 • ODESSA, TEXAS 79789-0210
Shipping Address: 2800 WESTOVER STREET • ODESSA, TEXAS 79784
PHONE (432) 837-4744
FAX (432) 337-8781

MS. JUDY FUENTES
WELL TESTING INC.
P.O. BOX 1263
MONAHANS, TEXAS 79756

FEBRUARY 15, 2011

DEAR MS. FUENTES:

THE FOLLOWING IS THE DISTILLATION RESULT FROM THE ENDEAVOR RED
BULL 3 FED #1 SAMPLE, RECEIVED 02/14/11, LAB NO. 7830:

DISTILLATION RESULTS

<u>PERCENT OVER</u>	<u>TEMPERATURE, DEG/F</u>
<u>FIRST DROP</u>	115
5%	175
10%	205
20%	254
30%	298
40%	375
50%	450
60%	526
70%	614
80%	701
90%	756
END POINT	760

RECOVERY 96 %
RESIDUE 2 %
LOSS 2 %

API GRAVITY 47.9 @ 60°F
SPECIFIC GR. 0.7888 @ 60°F
COLOR YELLOW

METHOD: DISTILLATION ASTM D-86.

WE APPRECIATE THE OPPORTUNITY TO WORK WITH YOU ON THESE TESTS.
IF YOU HAVE ANY QUESTIONS OR REQUIRE ANY FURTHER INFORMATION,
PLEASE FEEL FREE TO CONTACT US AT ANY TIME.

SINCERELY,

STEPHEN REID
SR/md

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM Carlsbad Field Office

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM-119278

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other AMENDED

8. Well Name and No.
Red Bull "3" Federal 1

2. Name of Operator
Endeavor Energy Resources, LP

9. API Well No.
30-025-39812

3a. Address
150 N. Maricopa Street, Suite 200
Midland, Texas 79701

3b. Phone No. (include area code)
(432) 687-1575

10. Field and Pool or Exploratory Area
from Red Hills/Wolfcamp Gas to Red Hills Bone Spring

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660 FWL, 660 FWL, SEC. 3, T28S, R35E, Lea CO. NM.

11. Country or Parish, State
Lea, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Application For Commingle Down Hole
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Application for commingling Red Hills Wolfcamp Gas with Red Hills Bone Spring.

Notice of application has been sent to all affected mineral and working interest owners for their review. Please advise if more data is needed or other procedures need to be implemented.

Pool Name	Red Hills, Bone Spring	Red Hills Wolfcamp (Gas)
Pool Code	51020	
Top and Bottom Pay	8200' - 12,254'	12,357' - 13,560'
Method of Production	Pumping Unit	Pumping Unit
Producing, Shut - In	Producing	Shut In
Date of Last Production	8/29/2012	6/12/2012
Rate of Last Production	35 oil, 54 gas, 91 water	32 oil, 62 gas, 64 water
Fixed Allocation Percentage	52% oil, 47% gas	48% oil, 53% gas
Bottom Hole Pressure	5,005 PSI	5,420 PSI

**SUBJECT TO LIKE
APPROVAL BY STATE**

Both intervals shown above require a pumping unit to produce. Their pressures, oil analysis and gas analysis are similar. The Bone Springs will be tested on an annual basis by removing down hole production equipment, setting a RBP between the two zones, determine the contribution of each zone and report the results to the BLM. See attached analysis.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Jan South

Title Regulatory Analyst

Signature

Date 10/02/2012

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

OCT 24 2012

WESLEY W. INGRAM
PETROLEUM ENGINEER

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

TYPE OR PRINT NAME Jan South TELEPHONE NO. (432)687-1575

E-MAIL ADDRESS jsouth@eeronline.com

ENDEAVOR ENERGY RESOURCES, L.P.

Land Department
110 N. Marienfeld, Suite 200
Midland, Texas 79701

Endeavor Petroleum, LLC – General Partner
Autry C. Stephens – Sole Member

432-687-1575 (Main)
432-687-5874 (Fax)

Larry Click
432-934-5018 (Cell)
E-mail: LClick@eeronline.com

July 8, 2015

Heritage Trust Company, LLC
Attn: David Luke, Director Mineral Mgmt.
2820 W. Country Club Drive
Oklahoma City, OK 73116

RE: Notice of Application
For Downhole Commingling
Red Bull 3 Federal #1
Sec 3-T26N-R33E, N.M.P.M.
Lea County, NM

Endeavor Energy Resources, LP, has filed the attached Application for Downhole Commingling (Form C-107A) for the above referenced well.

Should you have an objection to this Application, you must notify the State of New Mexico Oil Conservation Division, 1220 South St. Francis, Santa Fe, New Mexico 87505, within 20 days of the date of this letter.

Sincerely,

Endeavor Energy Resources, L.P.

Larry Click

NOTICE OF APPLICATION FOR DOWNHOLE COMMINGLING

	Owner Name	Certified Mail #	Owner Name	Certified Mail #
	Minerals Management Service Royalty Management Program P.O. Box 5810 Denver, CO 80217	7011 3500 0001 7365 3936	Travis C Newkumet PO Box 10971 Midland, TX 79702	7011 3500 0001 7365 4032
	Bradley S Bates 101 Blackberry Ct Midland, TX 79705	7011 3500 0001 9365 3943	Unified Assets, Ltd 3344 Ocean Drive Corpus Christi, TX 78411	7009 3410 0000 0968 9606
	Newkumet Exploration Inc. PO Box 11330 Midland, TX 79702	7011 3500 0001 7365 3950	Rajan David Ahuja 500 N Shoreline Ste 322 Corpus Christi, TX 78401	7009 3410 0000 0968 9613
	Petras Energy LP PO Box 4127 Midland, TX 79704	7011 3500 0001 7365 3967	Ranika Ahuja Cohen 500 N Shoreline Ste 322 Corpus Christi, TX 78401	7009 3410 0000 0968 9804
	WBA Resources Ltd PO Box 50468 Midland, TX 79710-0468	7011 3500 0001 7365 3974	Jack A. Taylor 201 McKinley Carlsbad, NM 88220	7011 3500 0001 7364 8703
	Sagebrush Interests LLC 2450 Fondren Suite 112 Houston, TX 77063	7011 3500 0001 7365 3981	MHM Resources LP P. O. Box 202656 Dallas, TX 75320-2656	7011 3500 0001 7364 8734
	RSC Resources LP 6824 Island Circle Midland, TX 79707	7011 3500 0001 7365 3998	Norma Markam Berman Valente 1101 Haxall Point Unit #1009 Richmond, VA 23219	7011 3500 0001 7364 8604
	Axis Energy Corporation P O Box 2107 Roswell, NM 88202-2107	7011 3500 0001 7365 4001	J. Hiram Moore Ltd PO Box 842421 Dallas, TX 75284-2421	7009 3410 0000 0968 9811
	Peregrine Production LLC PO Box 50655 Midland, TX 79710	7011 3500 0001 7365 4025	Carolyn A. Taylor 1702 Curry Rd Carlsbad, NM 88220	7011 3500 0001 7365 1079
	Chase Newkumet PO Box 11330 Midland, TX 79702	7011 3500 0001 7365 4018	Marilyn S. Taylor - JTWS 2310 Avenue B Carlsbad, NM 88220	7011 3500 0001 7364 8727
	Owner Name	Certified Mail #	Owner Name	Certified Mail #

NOTICE OF APPLICATION FOR DOWNHOLE COMMINGLING

[illegible]

McMillan, Michael, EMNRD

From: Brad Bates <bradb@eeronline.com>
Sent: Thursday, July 16, 2015 1:20 PM
To: McMillan, Michael, EMNRD
Subject: Well test procedure for Red Bull Federal 3 #1

Michael,

I worked with Wesley Ingram, BLM, Carlsbad office to provide tests of the two formations that were commingled.

The agreed process was to use the current Wolfcamp production rates immediately prior to completing the Bone Springs.

Then the Bone Springs was completed and produced until decline rate settled down and stabilized.

The Bone Spring production rate at this point was used, agreed to with BLM then isolation plug removed to commingle.

Bradley S Bates
Petroleum Engineer, Special Projects
Office 432 262 4034
Cell 432 638 0543



This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

For your local E-mail support please contact the Information Systems
Department at Endeavor Energy Resources, LP.

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Monday, July 06, 2015 1:41 PM
To: 'Cherl Prince'; 'Jan South'
Subject: RE: Red Bull 3 Federal # 1, API # 30-025-39812, Lea Co. NM

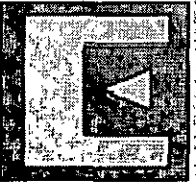
Can you give me an update on the information I requested.
Michael McMillan

From: McMillan, Michael, EMNRD
Sent: Thursday, June 25, 2015 4:50 PM
To: 'Cherl Prince'; Jan South
Subject: RE: Red Bull 3 Federal # 1, API # 30-025-39812, Lea Co. NM

Also need certified mailers to the affected parties WI and royalty interest owners

From: Cherl Prince [<mailto:cherl@eeronline.com>]
Sent: Thursday, June 25, 2015 1:26 PM
To: Jan South; McMillan, Michael, EMNRD
Subject: RE: Red Bull 3 Federal # 1, API # 30-025-39812, Lea Co. NM

The well test date is actually 08/29/12.

 Endeavor Energy Resources	Cherl Prince <i>Regulatory Manager</i> 110 N. Maricopa Street, Suite 200 Midland, Texas 79701 Office: 432.262.4053 Fax: 432.687.5877 EMAIL WEBSITE
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From: Jan South
Sent: Thursday, June 25, 2015 2:03 PM
To: michael.mcmillan@state.nm.us
Cc: Jan South; Cherl Prince
Subject: Red Bull 3 Federal # 1, API # 30-025-39812, Lea Co. NM

Dear Mr. McMillan:

Pursuant to our telephone conversation, please find attached is the C-102, C-104 and C-107A. I have also attached a copy of the BLM Sundry Notice Application for Commingle Down Hole Permit (approved October 24, 2012). After approval, we will file corrected production reports allocating to each zone based on well test performed 8/29/2015. We are conducting a new test this week and will began the new allocation for June 2015 production based on the new test. Annual tests will occur going forward.