



C-108 Review Checklist:

Received 7/28/15 Add. Request: — Reply Date: — Suspended: 8/11/15 [Ver 16] DMG issue

ORDER TYPE: WFX / PMX / SWD Number: 1622 Order Date: 4/13/16 Legacy Permits/Orders: —

Well No. 1 Well Name(s): Tele Delux 32 State

API: 30-0 25-42692 Spud Date: TBD New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 2560 FSL / 400 FEL Lot NA or Unit I Sec 32 Tsp 25S Rge 35E County Lea

General Location: ~14 mi WSW of Jol Pool: SWD; Cherry Canyon Pool No.: 97003

BLM 100K Map: — Operator: Endurance Resources, LLC OGRID: 270329 Contact: Ben Stone / SOS Consett.

COMPLIANCE RULE 5.9: Total Wells: 95 Inactive: 3 Fincl Assur: Yes Compl. Order? No IS 5.9 OK? Yes Date: 4/13/16

WELL FILE REVIEWED Current Status: APD filed

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: —

Planned Rehab Work to Well: NA

Well Construction Details		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned <input checked="" type="checkbox"/> or Existing <u>Surface</u>		17 1/2 / 13 3/8	0 to 1100		1100	Cir. to surface.
Planned <input checked="" type="checkbox"/> or Existing <u>Interm/Prod</u>		12 1/4 / 9 5/8	0 to 5100	None	1085	Cir. to surface
Planned <input checked="" type="checkbox"/> or Existing <u>Interm/Prod</u>		8 3/4 / 7	0 to 7800	None	1370	Cir. to surface
Planned <input type="checkbox"/> or Existing <u>Prod/Liner</u>		—	—	—	—	—
Planned <input type="checkbox"/> or Existing <u>Liner</u>		—	—	—	—	—
Planned <input checked="" type="checkbox"/> or Existing <u>OH / PERF</u>		8 3/4 / 7	6370' - 7700'	Inj Length 1330	Completion/Operation Details:	
Injection Lithostratigraphic Units:		Depths (ft)	Injection or Confining Units		Tops	Drilled TD <u>—</u> PBDT <u>—</u>
Adjacent Unit: Litho. Struc. Por.			Lamor	5275	NEW TD <u>7800</u> NEW PBDT <u>7800</u>	
Confining Unit: <u>Litho</u> Struc. Por.		<u>< 2'</u>	Bell Canyon	5286	NEW Open Hole <input type="checkbox"/> or NEW Perfs <input checked="" type="checkbox"/>	
Proposed Inj Interval TOP:		6370	Cherry Canyon	6368	Tubing Size <u>3.5</u> in. Inter-coated? <u>Yes</u>	
Proposed Inj Interval BOTTOM:		7700			Proposed Packer Depth <u>6000</u> ft	
Confining Unit: <u>Litho</u> Struc. Por.		<u>< 134'</u>	Brushy Canyon	7834	Min. Packer Depth <u>6270</u> (100-ft limit)	
Adjacent Unit: Litho. Struc. Por.			Bone Spring	—	Proposed Max. Surface Press. <u>1274</u> psi	
AOR: Hydrologic and Geologic Information						Admin. Inj. Press. <u>1274</u> (0.2 psi per ft)

POTASH: R-111-P NA Noticed? NA BLM Sec Ord NA WIPPA NA Noticed? — Salt/Salado T: — B: — NW: Cliff House fm —

FRESH WATER: Aquifer Alluvial / Tecton Max Depth < 1000' - HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: Cartbad CAPITAN REEF: thru sw of Reef's edge wells in 21 go to 10 300-335 adj. NA No. GW Wells in 1-Mile Radius? 0 FW Analysis? NA

Disposal Fluid: Formation Source(s) Bone Spring / Delaware Analysis? Yes On Lease Operator Only or Commercial

Disposal Interval: Inject Rate (Avg/Max BWPD): < 5000 Protectable Waters? No Source: Regional data Tele Delux wells System Closed or Open

HC Potential: Producing Interval? None current Formerly Producing? No Method: Logs/DST/P&A/Other Regional 2-Mile Radius Pool Map

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes-P Total No. Wells Penetrating Interval: 0 Horizontals? 0

Penetrating Wells: No. Active Wells 0 Num Repairs? — on which well(s)? — Diagrams? NA

Penetrating Wells: No. P&A Wells 0 Num Repairs? — on which well(s)? — Diagrams? NA

NOTICE: Newspaper Date 7/22/15 Mineral Owner NMSLO Surface Owner NMSLO N. Date 07/24/15

RULE 26.7(A): Identified Tracts? Yes Affected Persons: Yates, Occidental Permian, Chevron, BLM N. Date 07/24/15

Order Conditions: Issues: Originally suspended due to pending DMG cases of Red Hills

Add Order Cond: Add injection survey.

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 _____

*Endurance Resources
 30-025-42692
 [Re-entry/conversion]
 Tele Delux 32 State of
 Cherry & Brushy
 (close)*

2015 JUL 28 P 1:48
 RECEIVED OGD

- [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.

Ben Stone
 Print or Type Name

Signature

Agent for Endurance Resources, LLC 7/24/15
 Title Date

ben@sosconsulting.us
 e-mail Address



July 24, 2015

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

Attn: Mr. David Catanach, Director

Re: Application of Endurance Resources, LLC to convert and permit for salt water disposal the Tele Delux 32 State SWD No.1 well located in Section 32, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Mr. Catanach,

Please find enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request to drill and complete for disposal, the Tele Delux 32 State SWD Well No.1.

Endurance Resources seeks to optimize efficiency, both economically and operationally, of its operations. Approval of this application is consistent with that goal as well as the NMOCD's mission of preventing waste and protection of correlative rights.

Of particular note with this project, completion of this SWD is part of a larger effort to accommodate the produced water expected to be generated by Endurance's upcoming efforts to drill and complete several horizontal producers in the area. The wells will be expected to yield several thousand barrels of oil per month.

Published legal notice ran in the July 22, 2015 edition of the Hobbs Daily News-Sun and all offset operators and other interested parties have been notified. The legal notice affidavit is included in this application package. This application also includes wellbore schematics, area of review maps, leaseholder plats and other required information for a complete Form C-108. The well is located on state land and state minerals and a copy of this application has been submitted to the State Land Office, Division of Oil, Gas and Minerals. The BLM has offset minerals and has also been notified.

I respectfully request that the approval of this salt water disposal well proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in black ink, appearing to read 'Ben Stone', is written over a white background.

Ben Stone, Partner
SOS Consulting, LLC
Agent for Endurance Resources, LLC

Cc: Application attachment and file

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: **Salt Water Disposal** and the application *qualifies* for administrative approval.
- II. OPERATOR: **Endurance Resources, LLC.**
ADDRESS: **P.O. Box 1466, Artesia, NM 88211**
- CONTACT PARTY: **Randall Harris (575) 308-0722**
Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850
- III. WELL DATA: **All well data and applicable wellbore diagrams are ATTACHED hereto.**
- IV. **This is not an expansion of an existing project.**
- V. **A map is ATTACHED** 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. A tabulation is attached of data on all wells of public record within the area of review which penetrate the proposed injection zone. **NO wells penetrate the proposed interval in the Area Of Review** The data includes a description of each well's type, construction, date drilled, location, depth, and a schematic(s) of any plugged well illustrating all plugging detail.
- VII. **The following data is ATTACHED** 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. **Appropriate geologic data on the injection zone is ATTACHED** 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. **The well may be acidized to clean perforations and formation wall w/ 15% HCl – treatment volumes determined on job.**
- *X. Submit applicable test data or logs on the well however, any previous well logs have been filed with the Division need not be resubmitted. **A standard or better porosity log will be run from TD to approximately 6000'.**
- *XI. **State Engineer's records indicate there are NO water wells within one mile the proposed salt water disposal.**
- XII. **An affirmative statement is ATTACHED that available geologic and engineering data has been examined and no evidence was found** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. **"Proof of Notice" section on the next page of this form has been completed and ATTACHED. There are 4 offset lessees and/or operators + State and/or BLM minerals in the review area - all have been noticed. Affidavit of publication is ATTACHED.**
- 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: **Ben Stone** TITLE: **SOS Consulting, LLC agent / consultant for Endurance Resources, LLC**
SIGNATURE:  DATE: **7/24/2015**
E-MAIL ADDRESS: **ben@sosconsulting.us**

* 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:

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA – *The following information and data is included and ATTACHED:*

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE *pursuant to the following criteria is ATTACHED.*

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.



WELL SCHEMATIC - PROPOSED Tele Delux 32 State SWD No.1

API 30-025-42692

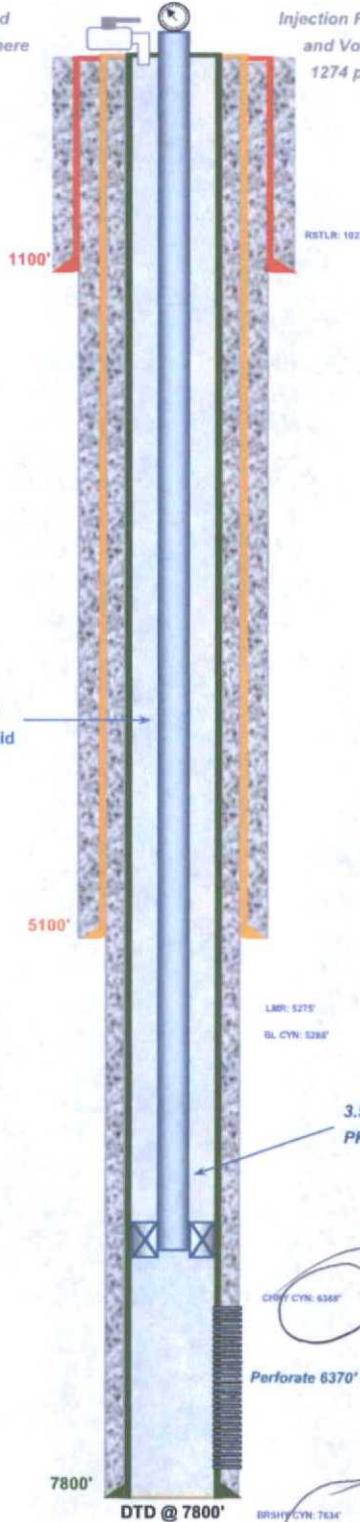
2560' FSL & 400' FEL, SEC. 32-T25S-R35E
LEA COUNTY, NEW MEXICO

Spud Date: ~9/01/2015

SWD Config Date: 9/15/2015

Annulus Monitored
or open to atmosphere

Injection Pressure Regulated
and Volumes Reported
1274 psi Max Surface



Surface Casing

13.375", 54.5# J-55 STC Csg. (17.5" Hole) @ 1100'
1100 sx CIs 'C' + Additives - Circulate to Surface

Intermediate Casing

9.625", 40.0# J-55/HCL-80 Csg. (12.25" Hole) @ 5100'
1085 sx 'C' + Additives - Circulate to Surface

Production Casing

7.0", 26.0# L-80 Csg (8.75" hole) - Circulate to Surface
Est. 1370 sx w/ excess - Circulate to Surface
Long String Cement Volumes May Be Adjusted to Callper.

ENDURANCE RESOURCES, LLC

Drill and Complete Well as Described.

Drill holes & set Surf. & Int. Casings.

Drill 8.75" hole to 7800'.

Run & Set 7.0" Cement to Surface.

Run Porosity Log - Perforate Selected Intervals 6370' to 7700'.

Acidize w/ 15% HCl as Determined on Job.

Run PC Tubing and PKR - Conduct MIT.

Commence Disposal Operations per SWD Order.

Sec. 25

Lamar 5042

Bell C 5087

Cherry C 5981

Brushy C 7476

3.5" IC Tubing
PKR (Nickel coated) 6005'+

CRP CYN: 6368'

Perforate 6370' - 7700' (Based on Log Analysis)

7800'
DTD @ 7800'

BRSHY CYN: 7836'



Drawn by: Ben Stone, 7/24/2015

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address ENDURANCE RESOURCES LLC 203 West Wall Suite 1000 Midland, TX 79701		⁴ OGRID Number 270329
		⁵ API Number
³ Property Code	² Property Name TELE DELUX 32 STATE	⁶ Well No. SWD 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	32	25 S	35 E		2560	S	400	E	LEA

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

⁹ Pool Information

Pool Name	Pool Code
-----------	-----------

Additional Well Information

¹¹ Work Type New Well	¹² Well Type SWD Well	¹³ Cable/Rotary	¹⁴ Lease Type State	¹⁵ Ground Level Elevation 3225.9'
¹⁶ Multiple N	¹⁷ Proposed Depth 7,800'	¹⁸ Formation Cherry Canyon	¹⁹ Contractor	²⁰ Spud Date 09/01/2015
Depth to Ground water: 0-400'		Distance from nearest fresh water well		Distance to nearest surface water: N/A

We will be using a closed-loop system in lieu of lined pits

²¹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1100	1100	Surface
Int1	12.25	9.625	40	5100	1085	Surface
Prod	8.75	7	26	7800	1370	Surface

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 1,100' with Fresh Water. Run 13-3/8", 54.5#, J-55 STC csg and cement to surface. Drill 12-1/4" hole to 5,100' with Brine. Run 9-5/8", 40.0#, J-55 and HCL-80 LTC csg and cement to surface. Drill 8-3/4" hole to 7800'. Run 7", 26#, L-80 csg LTC and cement to surface.

²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Cameron

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC if applicable.

Signature: *Tinlee Tilton*

Printed name: TINLEE TILTON

Title: Engineer

E-mail Address: tinlee@enduranceresourcesllc.com

Date: 7/7/2015

Phone: 432-242-4693

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88210
 Phone: (575) 393-6161 Fax: (575) 393-0720
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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

API Number	Pool Code	Pool Name
Property Code	Property Name TELE DELUX 32 STATE SWD	
OGRID No. 270329	Operator Name ENDURANCE RESOURCES, LLC	
		Well Number 1
		Elevation 3225.9

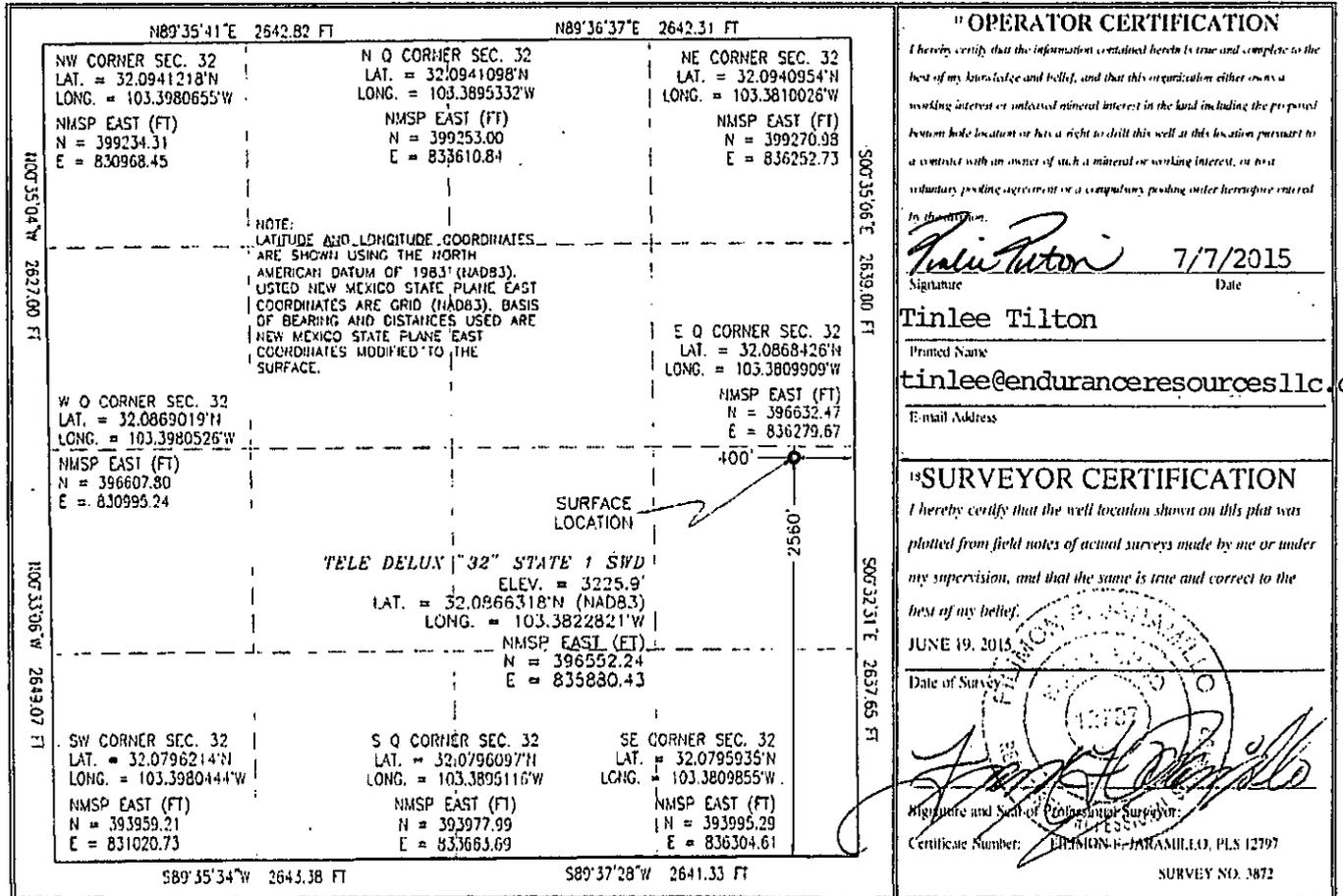
" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	32	25 S	35 E		2560	SOUTH	400	EAST	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.			

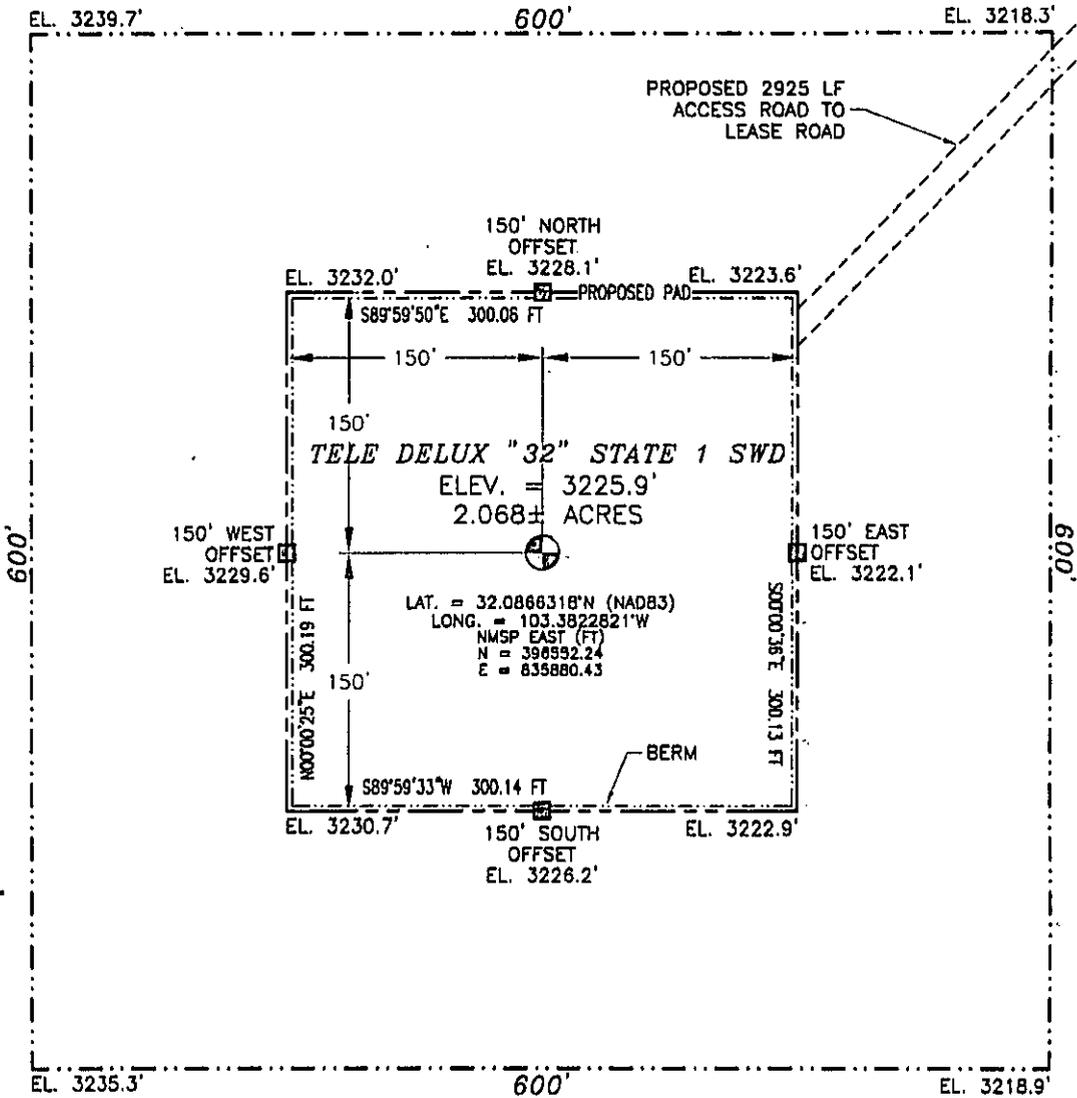
No allowance will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



SECTION 32, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

SITE MAP

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE



0 10 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM STATE HIGHWAY 128 AND CR 2 (BATTLE AXE) GO EAST ON STATE HIGHWAY 0.2 OF A MILE, TURN RIGHT (SOUTH) ON LEASE ROAD GO SOUTH 4.2 MILES TO A T INTERSECTION, TURN LEFT (SOUTHWEST) ON LEASE ROAD GO APPROX. 1.2 MILES, ROAD BENDS RIGHT (SOUTH), FOLLOW LEASE ROAD GO SOUTH 0.7 OF A MILE, TURN LEFT (EAST) GO EAST APPROX. 0.9 OF A MILE, TURN RIGHT (SOUTH) GO SOUTH APPROX. 0.8 OF A MILE, ROAD TURNS RIGHT (WEST) IS A ROAD LATH WITH RED & WHITE FLAGGING ON LEFT SIDE (SOUTH) OF ROAD. FOLLOW ROAD LATHS SOUTH & SOUTHWEST APPROX 2925' TO THE NORTHEAST PAD CORNER FOR THIS LOCATION.

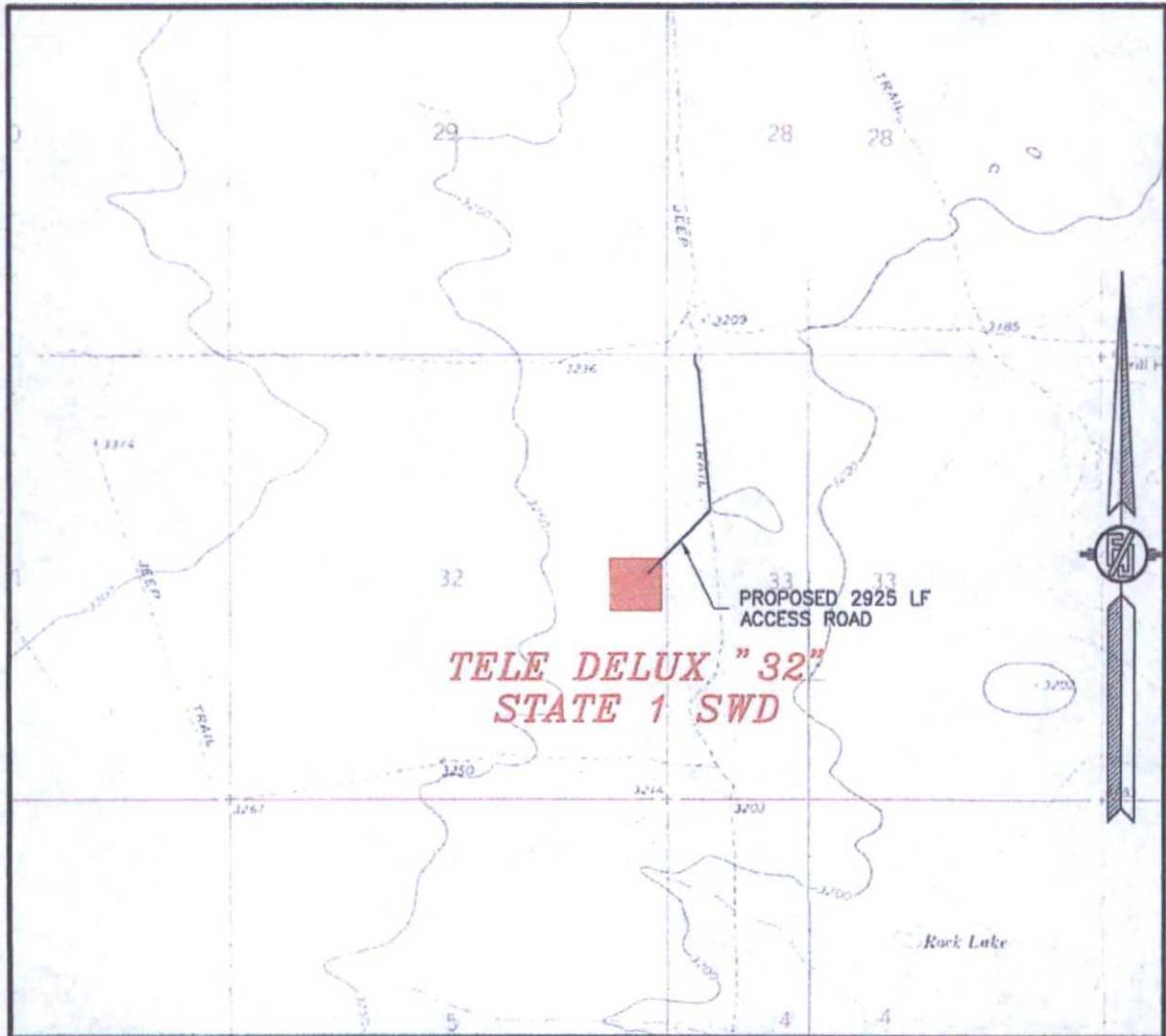
ENDURANCE RESOURCES, LLC
TELE DELUX "32" STATE 1 SWD
LOCATED 2560 FT. FROM THE SOUTH LINE
AND 400 FT. FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 25 SOUTH,
RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

JUNE 19, 2015

SURVEY NO. 3872

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(975) 234-3341

SECTION 32, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
ANDREWS PLACE

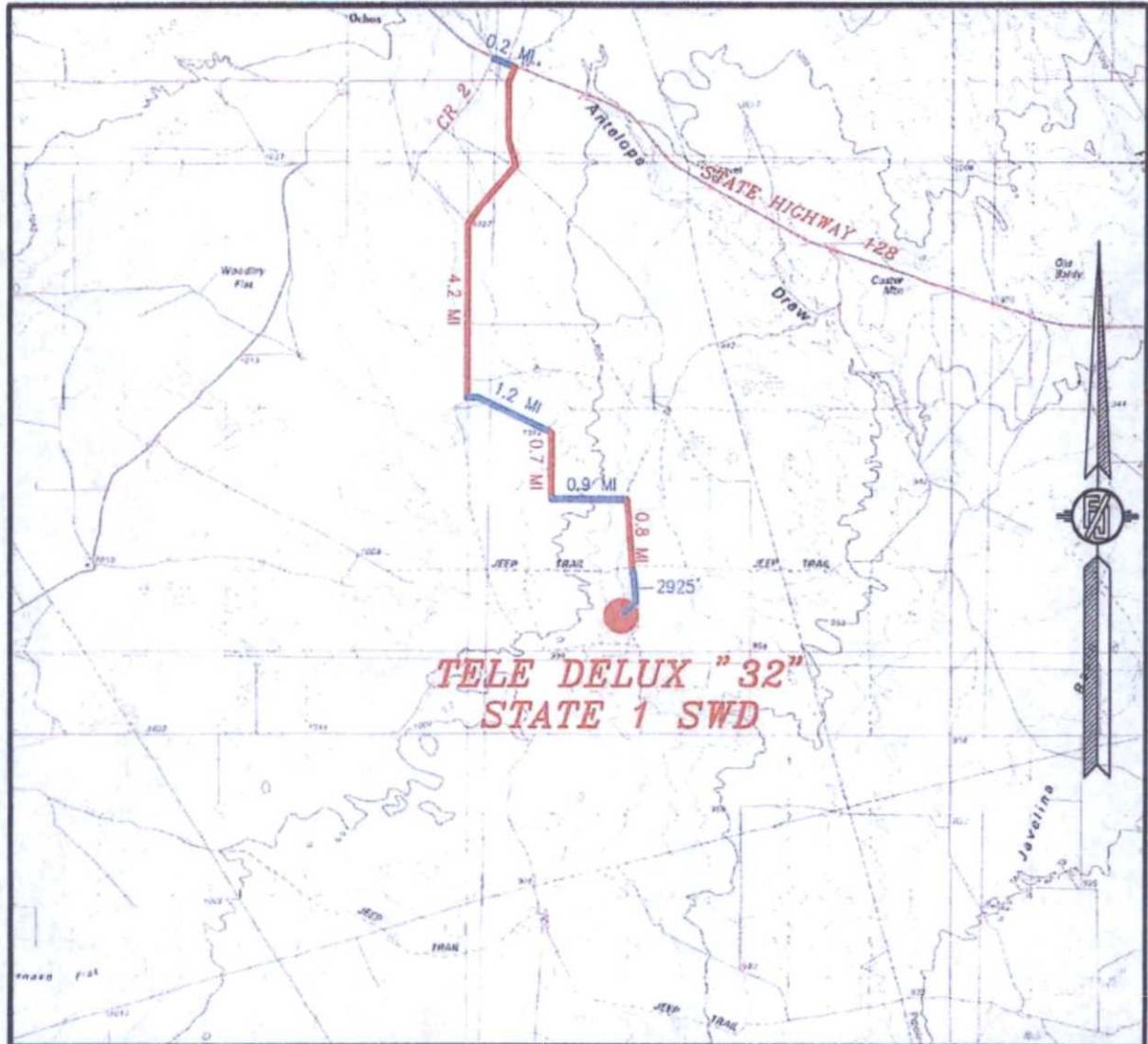
NOT TO SCALE

ENDURANCE RESOURCES, LLC
TELE DELUX "32" STATE 1 SWD
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AND 400 FT. FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 25 SOUTH,
RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

JUNE 19, 2015

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341 SURVEY NO. 3872

SECTION 32, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.
 LEA COUNTY, STATE OF NEW MEXICO
 VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

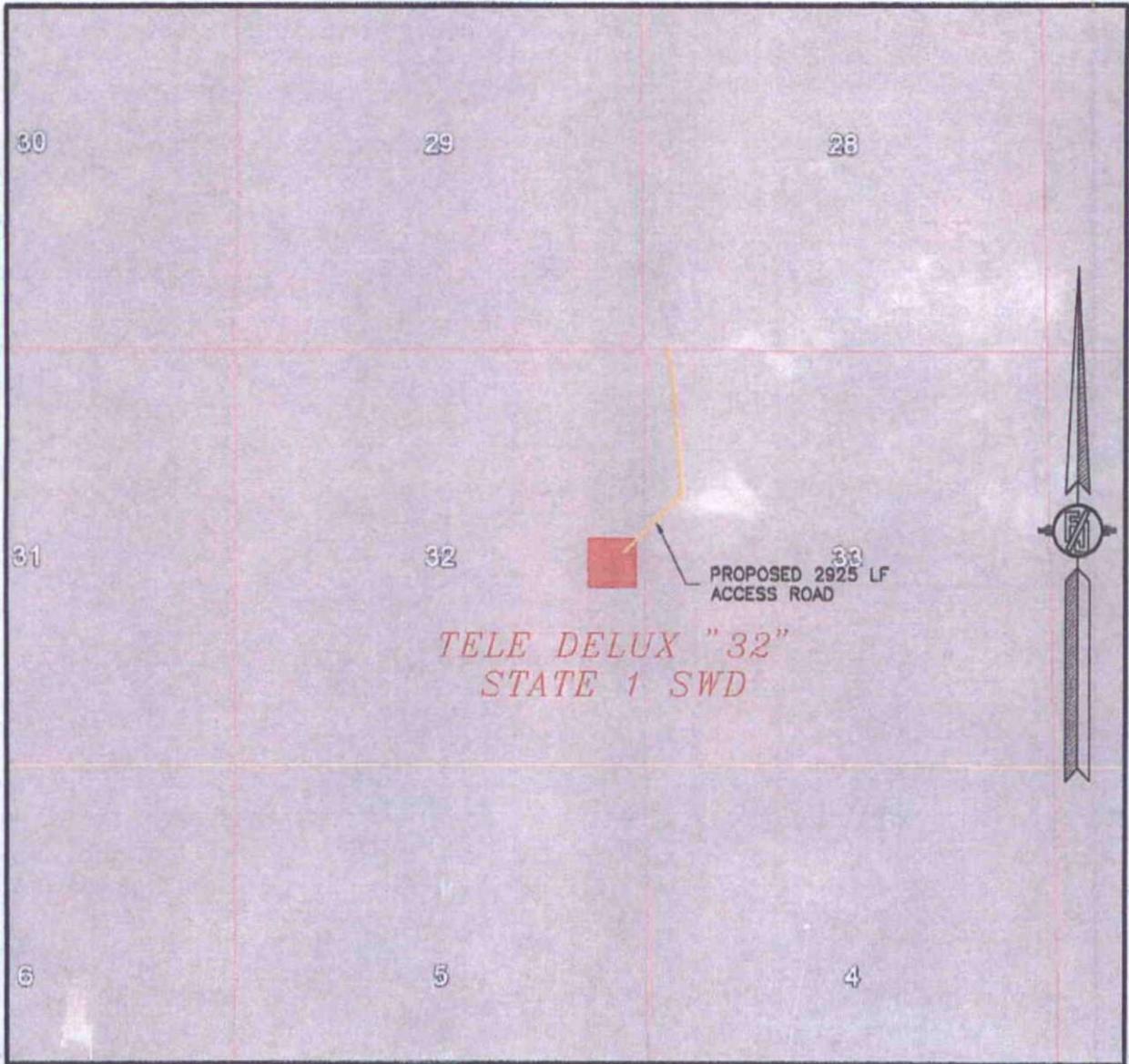
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 AND 400 FT. FROM THE EAST LINE OF
 SECTION 32, TOWNSHIP 25 SOUTH,
 RANGE 35 EAST, N.M.P.M.
 LEA COUNTY, STATE OF NEW MEXICO

JUNE 19, 2016

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 234-3341 SURVEY NO. 3872

SECTION 32, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
APRIL 2013

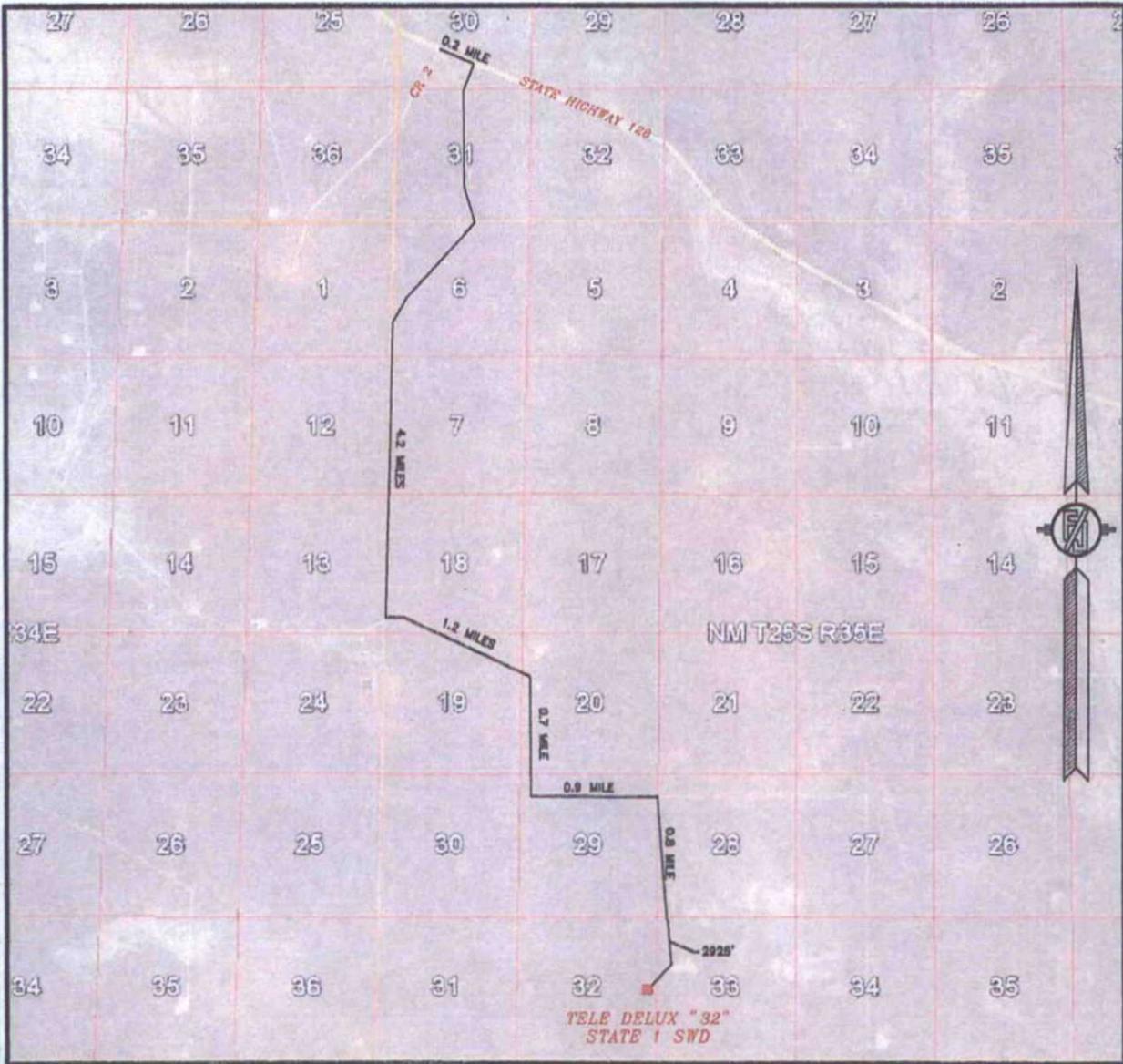
ENDURANCE RESOURCES, LLC
TELE DELUX "32" STATE 1 SWD
LOCATED 2560 FT. FROM THE SOUTH LINE
AND 400 FT. FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 25 SOUTH,
RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

JUNE 19, 2015

SURVEY NO. 3872

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

SECTION 32, TOWNSHIP 25 SOUTH, RANGE 35 EAST, N.M.P.M.
 LEA COUNTY, STATE OF NEW MEXICO
 ACCESS AERIAL ROUTE MAP



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 AERIAL PHOTO:
 GOOGLE EARTH
 FEBRUARY 2014

ENDURANCE RESOURCES, LLC
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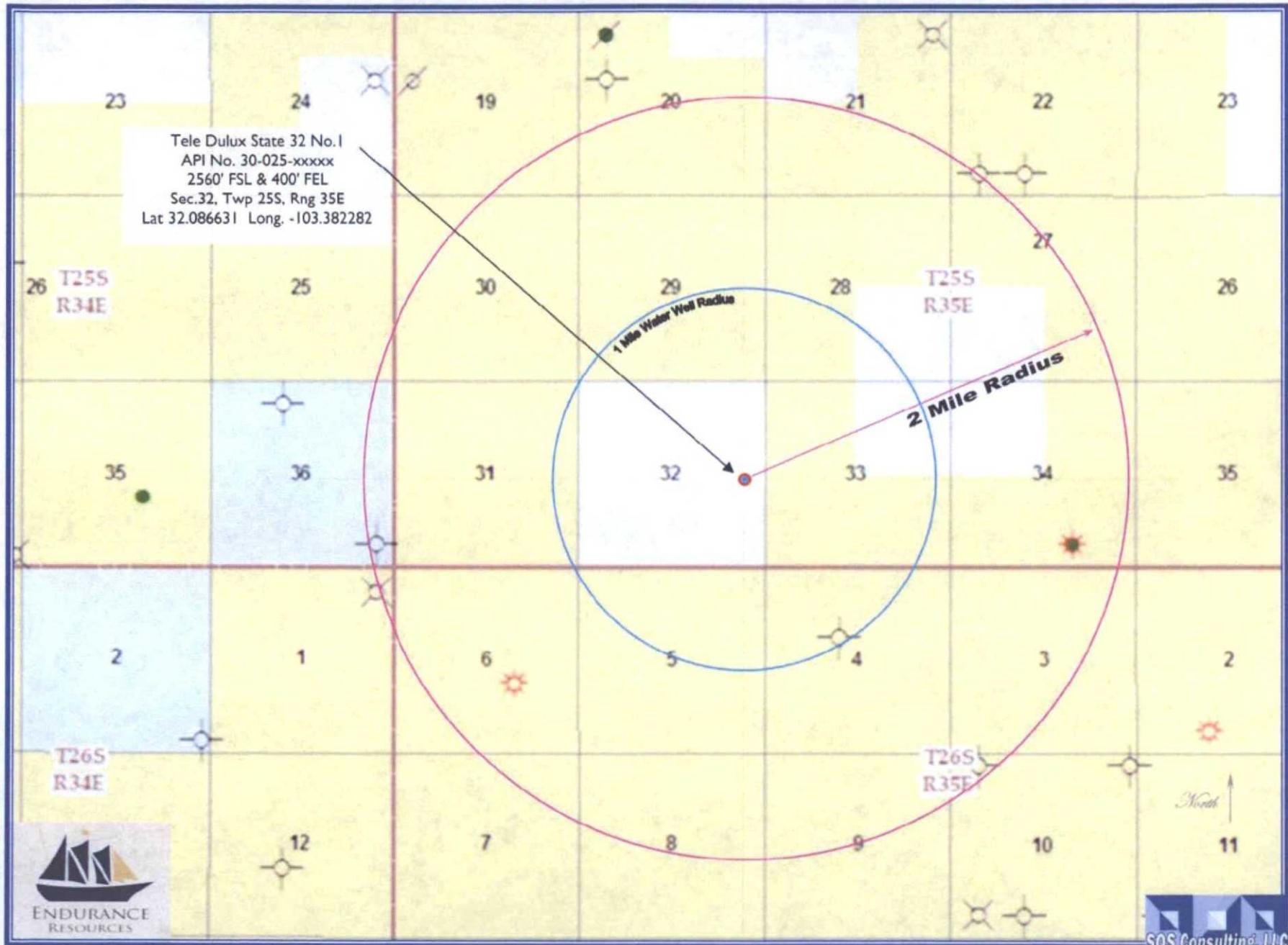
JUNE 19, 2015

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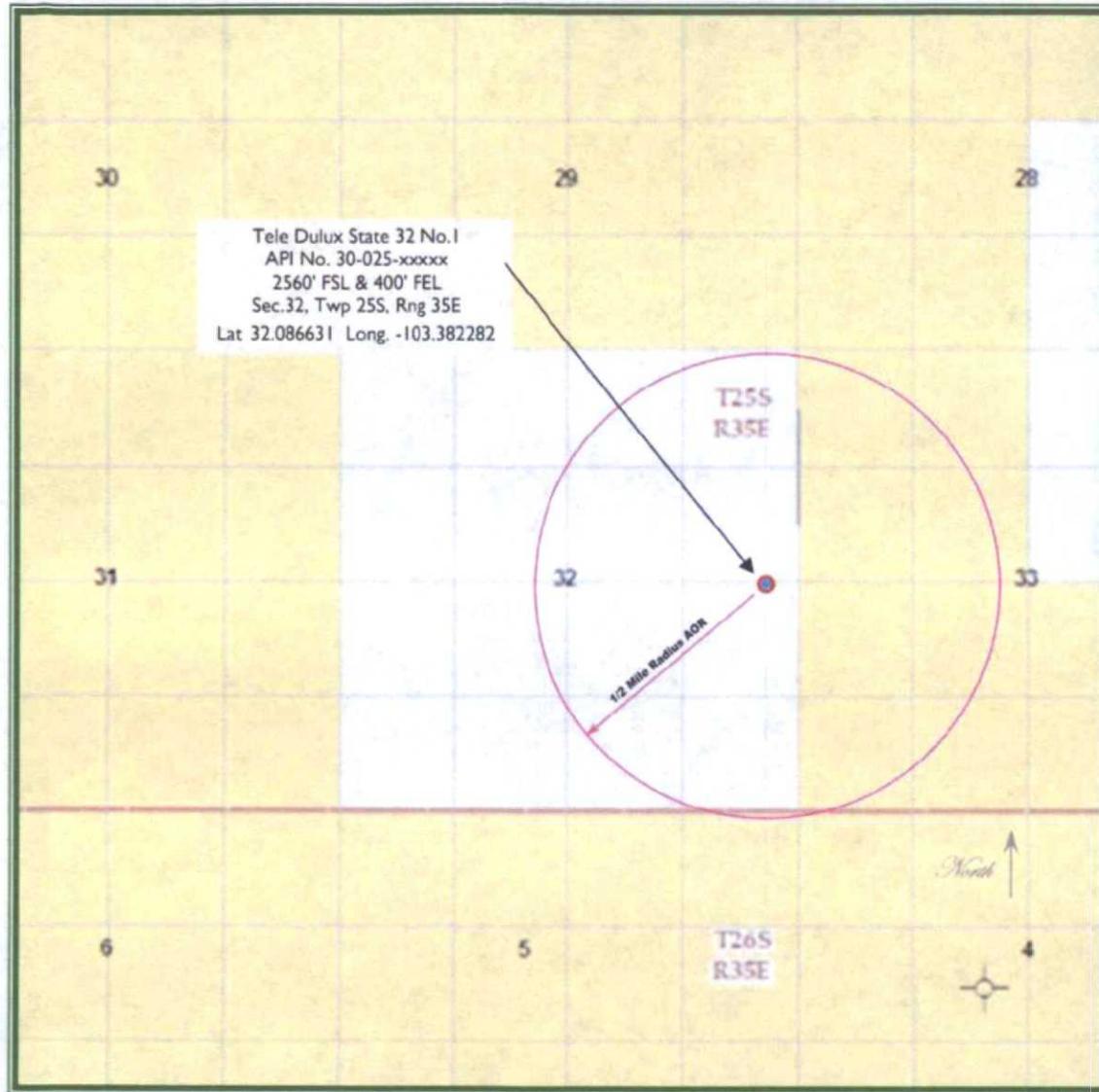
Tele Dulux State 32 Well No.1 - Area of Review / 2 Miles

(Attachment to NMOCD Form C-108 - Item V)

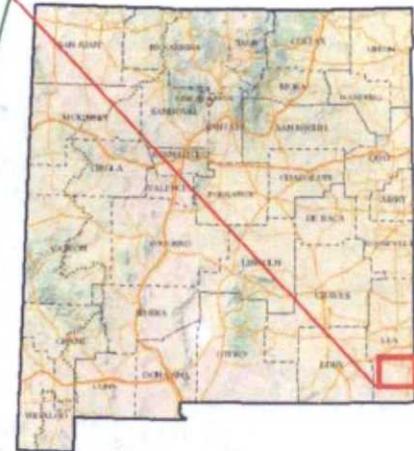


Tele Dulux State 32 Well No.1 - Area of Review / Overview Map

(Attachment to NMOCD Form C-108 - Item V)



~13.6 miles W/SW of Jal, NM



Lea County, New Mexico



C-108 ITEM VII – PROPOSED OPERATION

The Tele Delux 32 State SWD Well No.1 will be operated as a private disposal facility for Endurance Resources, LLC wells only. This well is part of a multi-well SWD system to facilitate disposal of Bone Spring produced water from the company's existing wells and projects.

(Samples are included in this application from Delaware and Bone Spring indicating formation waters - chlorides and TDS are relatively compatible.)

The system will be closed utilizing a tank battery facility located at the well site to accommodate all produced water. Pipelines will be laid from some current and future wells owned and operated by Endurance Resources.

Injection pressure will be 1274 psi with rates limited only by that pressure. In the future, Endurance may opt to conduct a step rate test if it is determined that greater rates may be required. This would be submitted to OCD as a request to increase the injection pressure.

Routine maintenance will be ongoing and any releases will be reported within 24 hours to OCD on form C-141 pursuant to various portions of 19.15.30 NMAC.

The facility will not be manned but will be available for inspections at any time deemed necessary by OCD.

C-108 ITEM VIII – GEOLOGIC INFORMATION

Disposal will be into the Cherry Canyon formation.

The Delaware is composed predominately of sandstones and shales. All the Delaware members are interbedded, poorly consolidated, light gray sandstones and shales with occasional dense dolomite horizons. The lateral transmissivities of the sandstone beds are highly variable and often forms elective barriers to the movement of hydrocarbons while allowing down-gradient movement of water. The transmissivity variations are fundamentally due to the very-fine grained nature of the sands and the local percentage of silt and clay. The Delaware sandstone members are typically overlain and underlain by bounding shale, dolomite and/or silty shale horizons.

Injection survey

possible limit of SRT/IPI application

The Cherry Canyon in this area is generally 6350' to 7700'. Production quality porosity in these intervals is accompanied by low resistivity yielding high water saturations.

Fresh water in the area is generally available from the Santa Rosa formation. State Engineer's records show water wells in the area to have an average depth of 223 feet.

There are no water wells located within one mile of the proposed SWD.

C-108 - Item VII.4

Water Analysis - Disposal Zone - DELAWARE

(Representative of Delaware Formation Water in Area)

WATER ANALYSIS REPORT

Company : YATES PET.	Date : 10-22-90
Address : ARTESIA	Date Sampled : 10-19-90
Lease : MEDANO BRA ✓	Analysis No. : 1
Well : 1	
Sample Pt. : WELLHEAD	

ANALYSIS	mg/L		* meq/L	
-----	-----		-----	
1. pH	7.1			
2. H2S	POS			
3. Specific Gravity	1.085			
4. Total Dissolved Solids	115832.4			
5. Suspended Solids	NR			
6. Dissolved Oxygen	NR			
7. Dissolved CO2	NR			
8. Oil In Water	NR			
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)				
11. Bicarbonate	HCO3 207.0	HCO3 3.4		
12. Chloride	Cl 68799.0	Cl 1940.7		
13. Sulfate	SO4 1750.0	SO4 36.4		
14. Calcium	Ca 1480.0	Ca 73.0		
15. Magnesium	Mg 269.2	Mg 22.1		
16. Sodium (calculated)	Na 43328.2	Na 1884.7		
17. Iron	Fe 0.0			
18. Barium	Ba 0.0			
19. Strontium	Sr 0.0			
20. Total Hardness (CaCO3)	4800.0			

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
+-----+	-----	-----	-----
74: *Ca <----- *HCO3 : 3:	Ca (HCO3)2	81.0	275
: /-----> :-----:	CaSO4	68.1	2480
22: *Mg -----> *SO4 : 36:	CaCl2	55.5	1999
: <-----/ :-----:	Mg (HCO3)2	73.2	
1885: *Na -----> *Cl : 1941:	MgSO4	60.2	
+-----+	MgCl2	47.0	1050
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	1884.7 110139
BaSO4 2.4 mg/L			

REMARKS:

Petrolite Oilfield Chemicals Group

Respectfully submitted,
L MALLETT

C-I08 - Item VII.4

Water Analysis - Source Water - BONE SPRING



Laboratory Analysis Endurance

Sample Date: 1/31/2014

Requested by: T. Ratliff

Jazzmaster 17 State #4H

Lea Co. NM

		Water Analysis Measurements		Cations (+)		Anions (-)	
					mg/L		mg/L
Oxygen (mg/L)	1.00	Oil in Water (ppm)	n/a	Barium (Ba)	0	Carbonate (CO ₃)	0
Carbon Dioxide (mg/L)	699.16	Specific Gravity	1.150	Calcium (Ca)	16,440	Bicarbonate (HCO ₃)	36,60
Hydrogen Sulfide (mg/L)	0.0	Total Dissolved Solids (TDS)	(mg/L) _{Calc} 189,969	Magnesium (Mg)	380	Chloride (mg/L)	118,520
pH	5.7	Total Hardness (mg/L)	18,000	Sodium (Na) _{Calc}	54,270	Sulfate (SO ₄)	319
Temperature °F	73			Iron (Fe)	3.00		
				Manganese (Mn)	0.00		

Scaling Potential: Stiff Davis Scale Indicator (SDI)

	1/31/2014								
80° F	0.1								
120° F	--								
200° F	--								

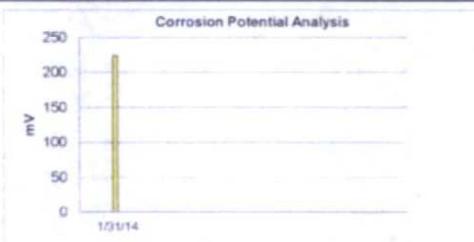
Negative SDI = no scaling potential

Positive SDI = scaling potential (scale can form and precipitate)

SDI close to zero = borderline scaling potential

Corrosion Potential: ORP Analysis (mV)

	1/31/2014								
	224.1								

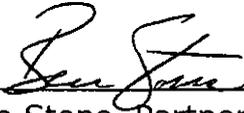


Negative numbers indicate the potential for severe corrosion.

Red & Negative Corrosion
Yellow & Positive Scale

C-108 ITEM XII – GEOLOGIC AFFIRMATION

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.



Ben Stone, Partner
SOS Consulting, LLC

Project: Endurance Resources, LLC
Tele Delux 32 State SWD Well No.1
Reviewed 7/15/2015

C-108 ITEM XI – WATER WELLS IN AOR

A search of the State Engineer's database indicates NO water wells within one mile of the proposed salt water disposal well.



New Mexico Office of the State Engineer
Active & Inactive Points of Diversion
(with Ownership Information)

No PODs found.

PLSS Search:

Section(s): 28, 29, 32, 33 Township: 25S Range: 35E

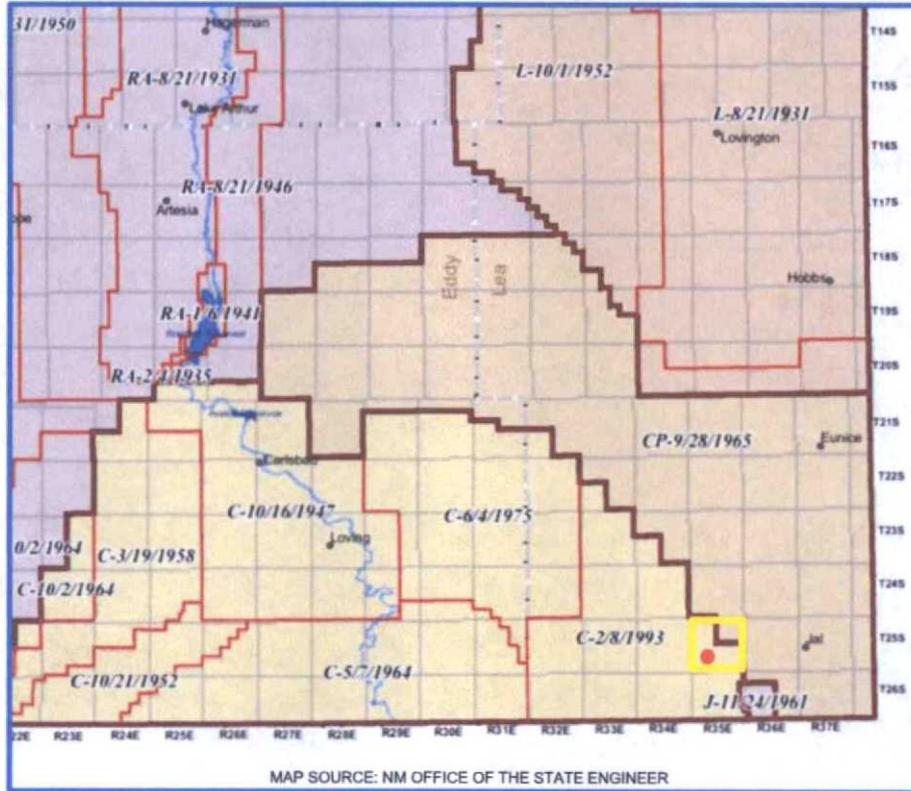
No PODs found.

PLSS Search:

Section(s): 4, 5 Township: 26S Range: 35E

C-108 - Item XI

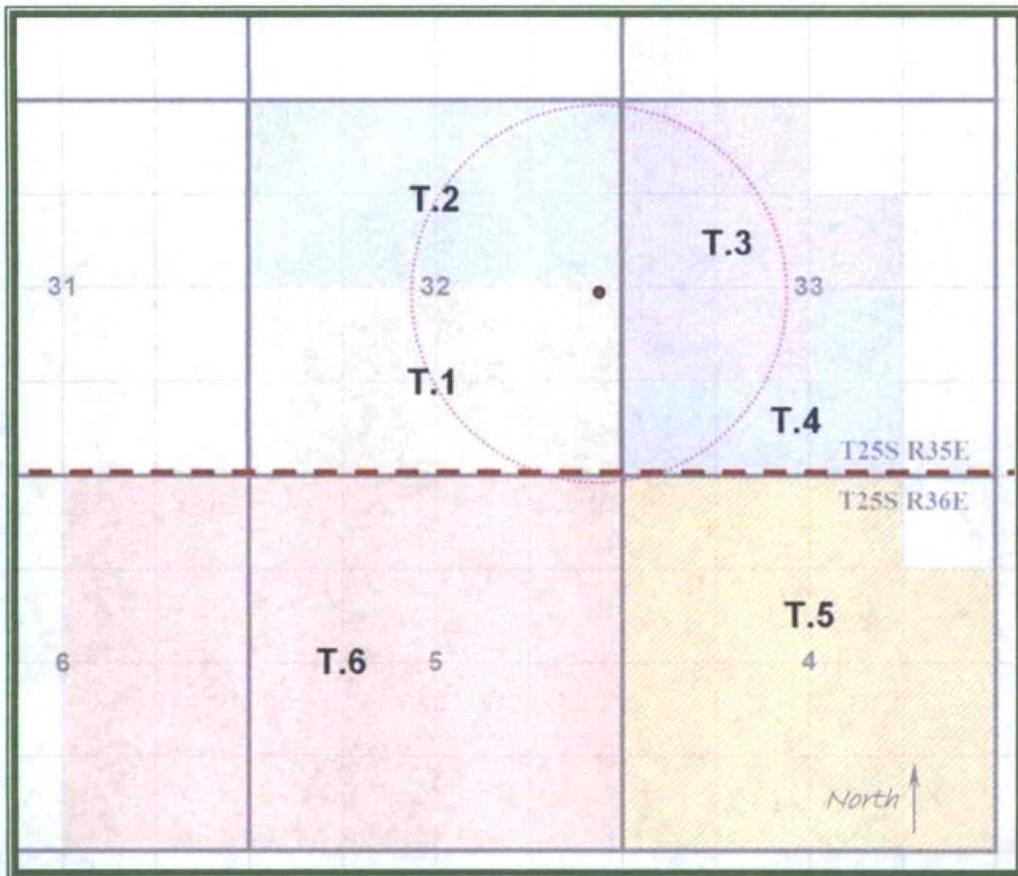
Groundwater Basins - Water Column / Depth to Groundwater



The subject well is located within the Carlsbad Basin. Fresh water in the area is generally available from the Santa Rosa formation. State Engineer's records show water wells in the area to have an minimum depth of 225 feet with an average depth to water of 347 feet.

There are NO water wells located within one mile of the proposed SWD.

Tele Delux State 32 Well No.1 - Leasehold Plat
(Attachment to NMOCD Form C-108, Application for Authority to Inject.)



LEGEND

- T.1 – VB-1835-0000 – Yates Petroleum Corporation
- T.2 – VB-1834-0000 – Yates Petroleum Corporation
- T.3 – NMNM-132955 – Endurance Properties, Inc.
- T.4 – NMNM-112943 – Chevron USA, Inc.
- T.5 – NMNM-115000 – Chevron USA, Inc.
- T.6 – NMNM-013647 – Occidental Permian, LP

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST**

SURFACE OWNER

STATE OF NEW MEXICO (FedEx'ed copy)
Oil, Gas and Minerals Division
310 Old Santa Fe Trail
Santa Fe, NM 87504

OFFSET MINERALS LESSEES and OPERATORS (All Notified via USPS Certified Mail)

State Leases V0-1835-0000; V0-1834-0000 (T.1 and T.2 on attached leasehold plat.)

- Lessee**
- 1 YATES PETROLEUM CORPORATION
105 S. 4TH Street
Artesia, NM 88210

Operator
ENDURANCE RESOURCES, LLC
P.O. Box 1466
Artesia, NM 88211-1466

BLM Lease NMNM-132955 (T.3 on attached leasehold plat.)

- Lessee**
- 2 ENDURANCE PROPERTIES, INC.
15455 Dallas Pkwy, Ste. 600
Addison, TX 75001

BLM Leases NMNM-112943; NMNM-115000 (T.4 and T.5 on attached leasehold plat.)

- Lessee**
- 3 CHEVRON USA, INC.
1400 Smith Street
Houston, TX 77002-7327

BLM Lease NMNM-013647 (T.6 on attached leasehold plat.)

- Lessee**
- 4 OCCIDENTAL PERMIAN, LP
P.O. Box 4294
Houston, TX 77210-4294

**C-108 ITEM XIII – PROOF OF NOTIFICATION
INTERESTED PARTIES LIST (cont.)**

OFFSET MINERALS OWNER (Notified via USPS Certified Mail)

- 5 U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
811 S. First St.
Artesia, NM 88210

NEW MEXICO STATE LAND OFFICE (FedEx'ed copy)
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, NM



July 24, 2015

NOTIFICATION TO INTERESTED PARTIES
via U.S. Certified Mail

To Whom It May Concern:

Endurance Resources, LLC, Artesia, New Mexico, has made application to the New Mexico Oil Conservation Division to drill and complete for salt water disposal the Tele Delux State 32 Well No.1. The proposed operation will be for private disposal from area operations. As indicated in the notice below, the well is located in Section 32, Township 25 South, Range 35 East in Lea County, New Mexico.

The disposal interval will be through existing perforations 6370 feet to 7700 feet in the Cherry Canyon formation.

Following is the notice published in the Hobbs News-Sun, Hobbs, New Mexico on July 22, 2015.

LEGAL NOTICE

Endurance Resources, LLC, P. O. Box 1466, Artesia, NM 88211 is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal its Tele Delux 32 State SWD Well No.1. The undrilled well will be located 2560' FSL & 400' FEL in Section 32, Township 25 South, Range 35 East in Lea County, New Mexico. The SWD well will be for the operator's sole use to dispose of area produced water into the Cherry Canyon formation through perforations from a top of 6370 feet to a maximum depth of 7700 feet. Maximum injection pressure will be 1274 psi with a maximum rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email info@sosconsulting.us.

You have been identified as a party who may be interested as an offset lessee or operator.

You are entitled to a full copy of the application. A full copy in PDF format on a mini-CD will be arriving within a few days of this notice. If you do not receive it, please call or email SOS Consulting, LLC at 903-488-9850, info@sosconsulting.us, and a copy will be expedited to you and may also be sent via email if preferred.

Thank you for your attention in this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Ben Stone". The signature is fluid and cursive, with the first name "Ben" and last name "Stone" clearly distinguishable.

Ben Stone, SOS Consulting, LLC
Agent for Endurance Resources, LLC

Cc: Application File

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

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Postmark Here: COMO TX 75431 JUL 24 2015

Sent To
 Street and Apt. Bureau of Land Management
 City, State, Zip Carlsbad Field Office - O&G-Division
 PS Form 3800 Additions 620 E. Greene St.
 CARLSBAD, NM 88220

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 22, 2015
and ending with the issue dated
July 22, 2015.



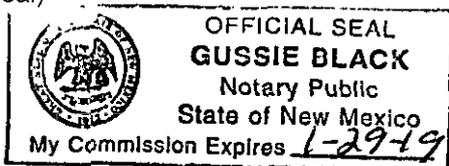
Publisher

Sworn and subscribed to before me this
22nd day of July 2015.



Business Manager

My commission expires
January 29, 2019
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE July 22, 2015

Endurance Resources, LLC, P. O. Box 1466, Artesia, NM 88211 is filing Form C-108 (Application for Authority to inject) with the New Mexico Oil Conservation Division for administrative approval to permit for salt water disposal its Tele Delux 32 State SWD Well No.1. The undrilled well will be located 2560' FSL & 400' FEL in Section 32, Township 25 South, Range 35 East in Lea County, New Mexico. The SWD well will be for the operator's sole use to dispose of area produced water into the Cherry Canyon formation through perforations from a top of 6370 feet to a maximum depth of 7700 feet. Maximum injection pressure will be 1274 psi with a maximum rate limited only by such pressure.

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67104420

00159897

BEN STONE
SOS CONSULTING, LLC.
P.O. BOX 300
COMO, TX 75431