

Ezeanyim, Richard, EMNRD

From: Ernest Padilla <epadillapl@qwestoffice.net>
Sent: Tuesday, June 17, 2014 4:13 PM
To: Ezeanyim, Richard, EMNRD
Cc: Michael Feldewert
Subject: FW: Nocaster 4H FMI Streess direction
Attachments: Endurance_Nocaster_Induced_Strike_Rose_Plots.pdf

Mr. Ezeanyim:

I am not trying to be difficult or oppose Mr. Feldewert's email to you. Coincidentally, and earlier today, Mr. Ritter sent me a copy of an email that he sent to Chevron which I am forwarding to you. It is consistent with Endurance's agreement to share the log on the Section 19 well and information on the Section 19 well. The email is self-explanatory and confirms Chevron's request for a field visit. While we are very confident on the case that we presented, Endurance prefers to settle this case. Results from completion of the Section 19 well should be considered by the parties in regard to settlement. Again, we will not infer one way or the other as to whether you want to proceed with an order, but from my standpoint Chevron's position on a proposed order seems inconsistent with the communications between the parties.

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From: stlitter@aol.com [<mailto:stlitter@aol.com>]

Sent: Tuesday, June 17, 2014 1:03 PM

To: ken.schwartz@chevron.com; vlemieux@chevron.com; bjbeal@btaoil.com; manny@enduranceresourcesllc.com

Subject: Nocaster 4H FMI Streess direction

Ken and BJ,

As per our discussion in Midland and agreement to run an FMI in the Nocaster well, attached are the rose diagrams for the Nocaster 4H, along with our Jazzmaster(to the west 5 sections), our Telecaster(to the west one section), and the Stratocaster(one section to the East).

As we look at the values on top of the First Bone Spring, we see the Mean direction at 59 degrees, which is very similar to the Telecaster well, and not much different from the Stratocaster well. The Jazzmaster sits at a mean of 55 degrees.

We also have an FMI about seven sections to the north west with the same (60 degree) mean. From my experience at GMI, I would interpret this to be a strike slip environment with regional SHmax direction, and would think it would hold for section 18 as well.

We have finished drilling the curve and landing in the target sand. We will point the toe of the well to the western most point of the proration unit, to take advantage of as much perpendicular wellbore as possible to the SH max direction.

We should finish the well in the next 5-6 days. Frac is schedule for July 8th.

The direct offset to the east, the Stratocaster 1H has produced 90,000 bbls since last September. The offset to the south has produced 46,000 bbls since mid February. The latest well, to the south, the Telecaster 2H has produced 30,000 bbls in the last 40 days.

We look forward to fracing the Nocaster 4H with similar results.

Ken,

I understand you have asked for a field visit We are happy to accommodate. Please pass on your expected itinerary and we will be sure to have someone show you around the field.

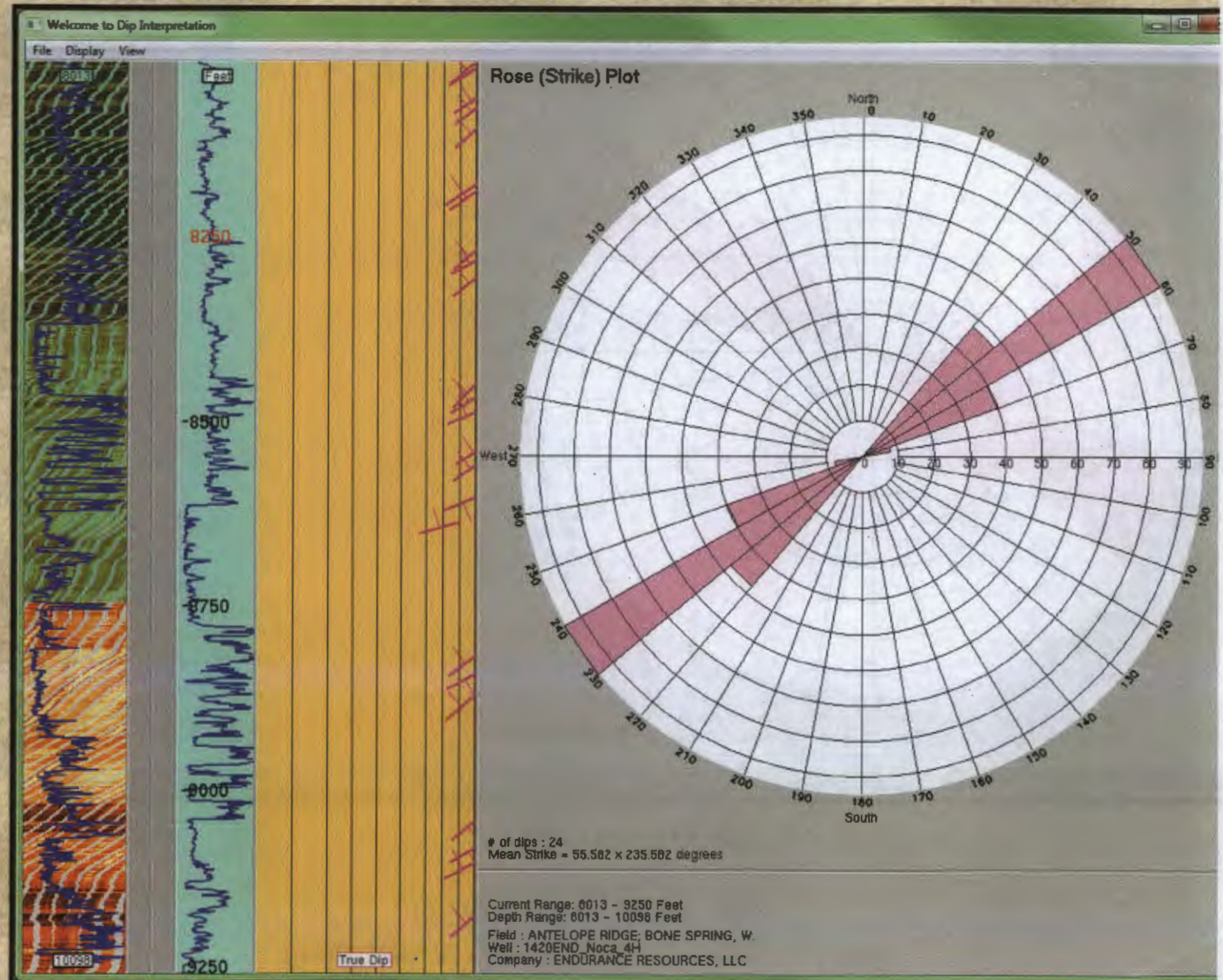
Best Regards,

Don Ritter

Endurance – Nocaster 19 Federal #4H

Induced Fracture Rose Plots

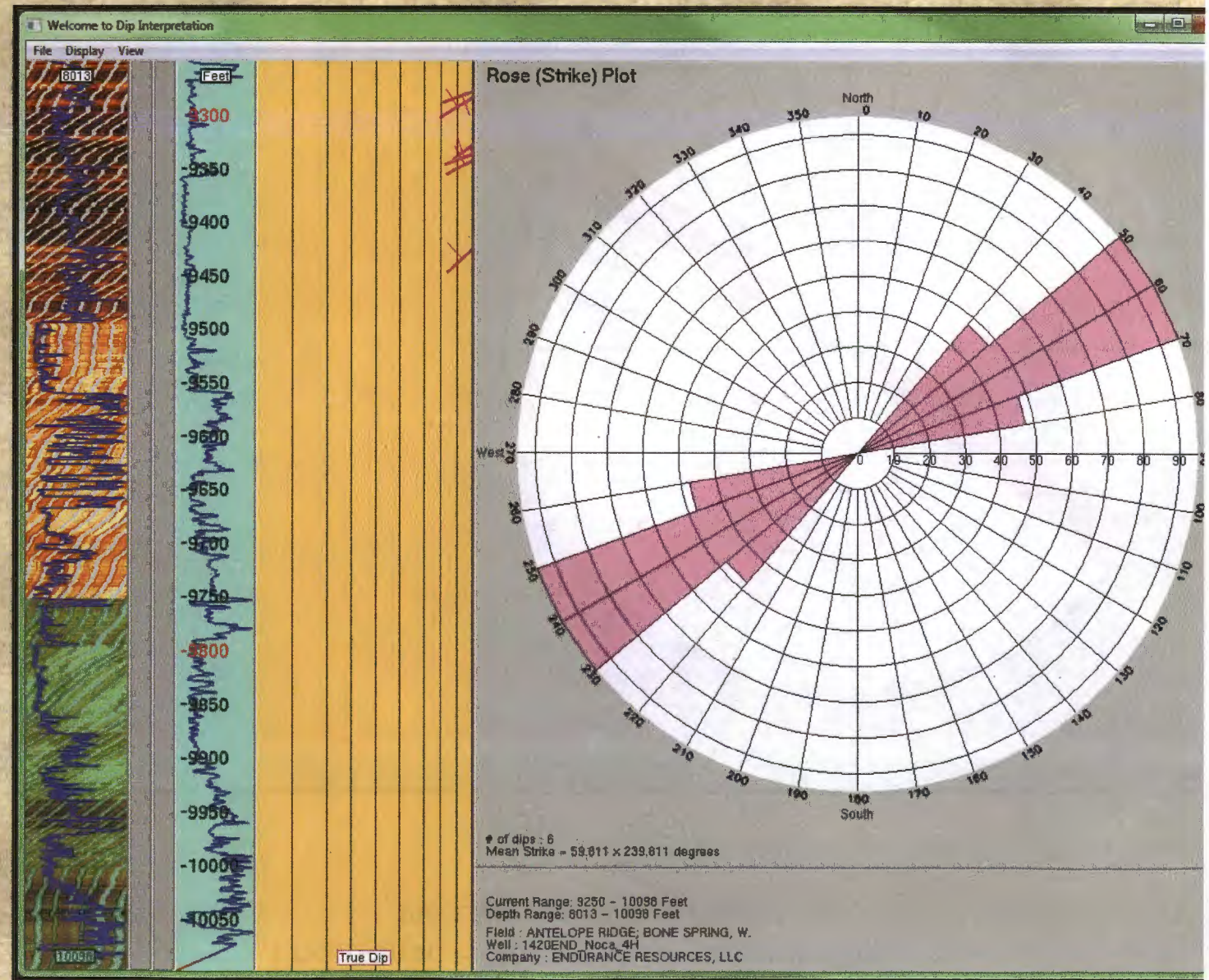
8013' – 9250'



Endurance – Nocaster 19 Federal #4H

Induced Fracture Rose Plots

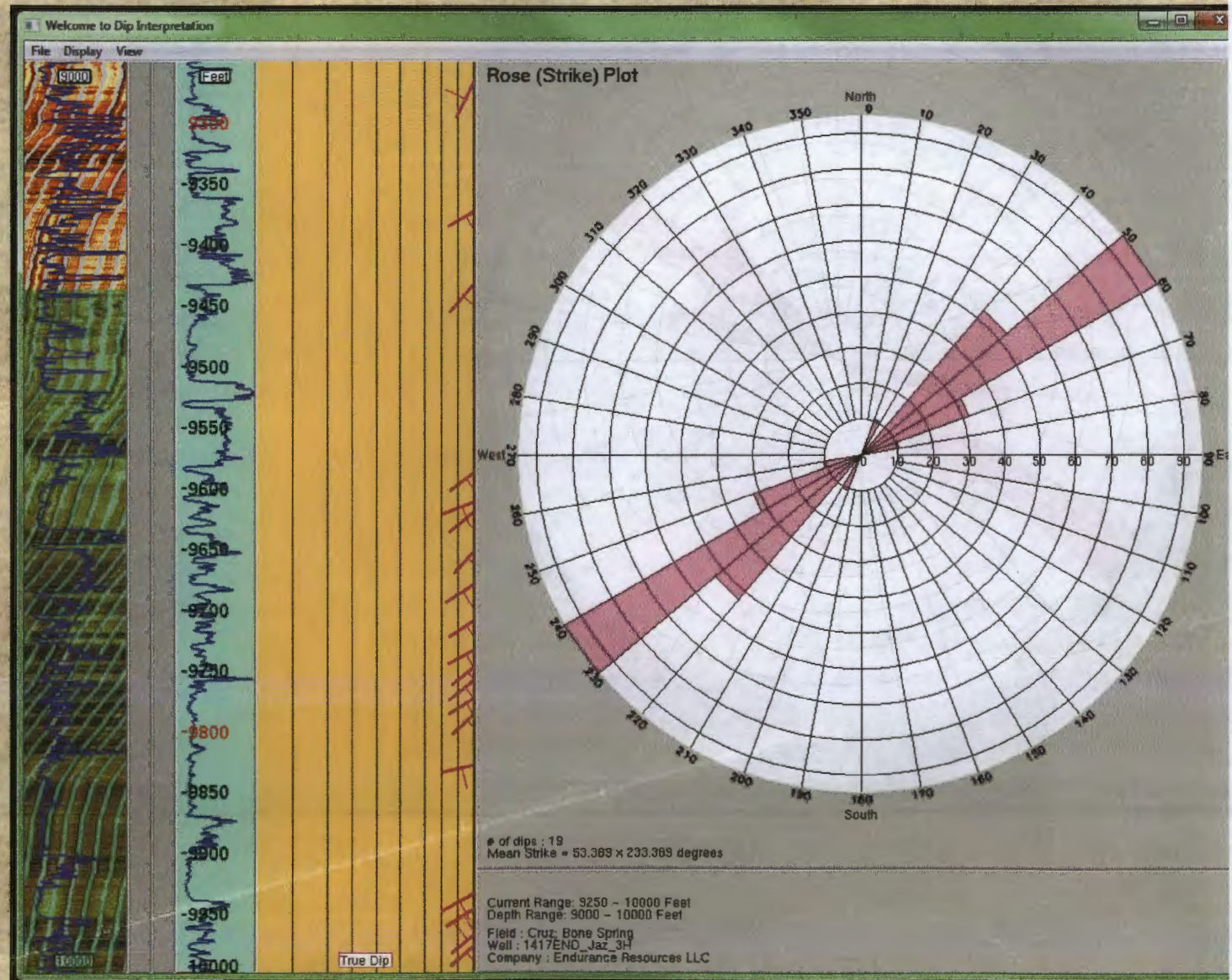
9250' – 10098'



Endurance – Jazzmaster 17 State #3H

Induced Fracture Rose Plots

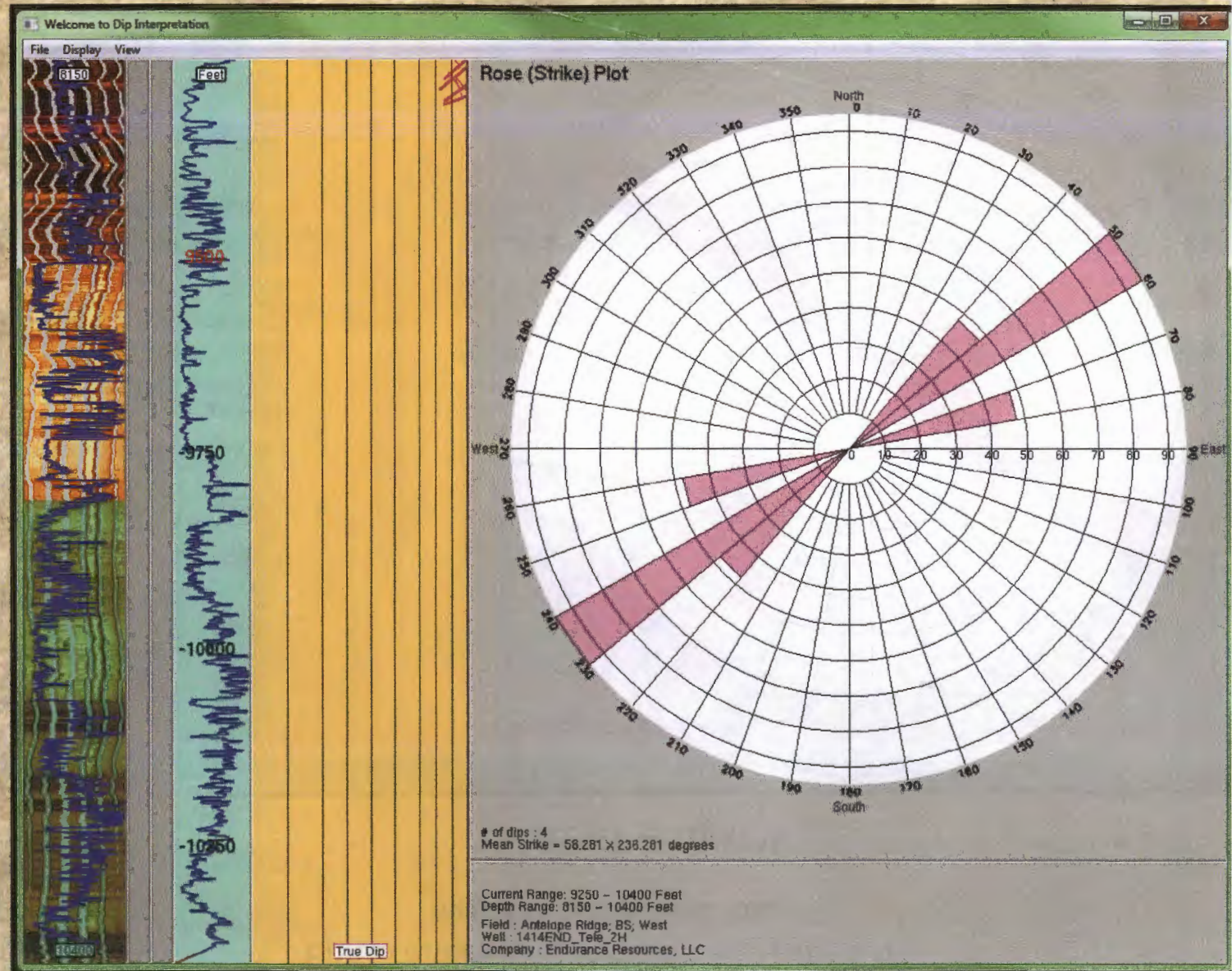
9250' – 10000'



Endurance – Telecaster 30 Fed #2H

Induced Fracture Rose Plots

9250' – 10400'



Endurance – Stratocaster 20 Fed #3H

Induced Fracture Rose Plots

9500' – 9800'

