| | Endurance | Chevron | Endurance - Total AFE costs per Final Drilling Reports | |
|---|---|---|---|---|
| | Starcaster 4H AFE | Bell Lake 1H AFE | 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 | $1,681,160 | $1,531,961 | $1,027,956 | $1,484,296 |
| Total | $4,081,160 | $2,731,961 | $3,640,329 | $3,934,296 |
| Facilities | $688,654 | $2,940,196 | $818,190 | $ |
| Total AFE Costs: | $7,010,055 | $9,866,258 | $6,877,546 | $6,906,624 |

OCD Cases# 15074 & 15084
Endurance Resources, LLC
February 20, 2014
Ex# 10-1

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 RECOVI
Reserve Cat. : Proved Producing
Field :
Operator :
Reservoir :
Co., State : Lea, NM

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

| Year | Gross Oil (Mbbl) | Gross Gas (MMcf) | Gross NGL (Mgal) | Net Oil (Mbbl) | 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 | 5,385.91 | 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** |

| | Oil | |
|---|---|---|
| Perfs : | 0 - 0 | |
| 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 |
| ROInvestment (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 |



10-2

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 (Mbbl) : 0.00
Cum Gas (MMcf) : 0.00
Cum NGL (Mgal) : 0.00

| Year | Gross Oil (Mbbl) | Gross Gas (MMcf) | Gross NGL (Mgal) | Net Oil (Mbbl) | 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 |

| | Oil | |
|---|---|---|
| Perfs : | 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 |
| ROInvestment (disc/undisc) : | 0.24 / 0.39 |
| Years to Payout : | 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, LLC**
15455 Dallas Parkway, Suite 1050
Addison TX 75001

ENDURANCE RESOURCES, LLC

# 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 | 10/17/2013 | 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 |
|---|---|---|---|---|---|
| 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 POTTYS/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, LLC**
**15455 Dallas Parkway, Suite 1050**
**Addison TX 75001**

ENDURANCE RESOURCES, LLC

# 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 | 11/8/2013 | REPORT DAY | 2/16/2014 | DAYS FROM START 100 |

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

| START TIME | END TIME | OPERATION | |
|---|---|---|---|
| 6:00AM | 6:00AM | FLOWBACK | 24HR FLOWBACK REPORT:<br>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 | | |

10-5