

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M.-HORRBS

FORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator **Endurance Resources, LLC.**3a. Address
P.O. Box 1466, Artesia, NM 882113b. Phone No. (include area code)
575.308.07224. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FSL & 660' FEL Sec. 20 T23S-R34E5. Lease Serial No.
NM 18306

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Back Basin #19. API Well No.
30-025-27051

10. Field and Pool, or Exploratory Area

Antelope Ridge, Atoka W11. County or Parish, State
Lea County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Install 1500 S 3000# BOP on 9 5/8" csng.
Selective perforate Bone Springs Sand 10,400-10,600'
Acid with 2,000 gallons 7 1/2% NEFE
Frac perforations as necessary to establish production

SEE ATTACHED FOR
CONDITIONS OF APPROVAL90 day approval
exp. 7/10/201214. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Randall Harris**

Signature

Title **Geologist**

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Office

01/15/2012

APPROVED

APR 11 2012

Date

WESLEY W. INGRAM
PETROLEUM ENGINEER

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.

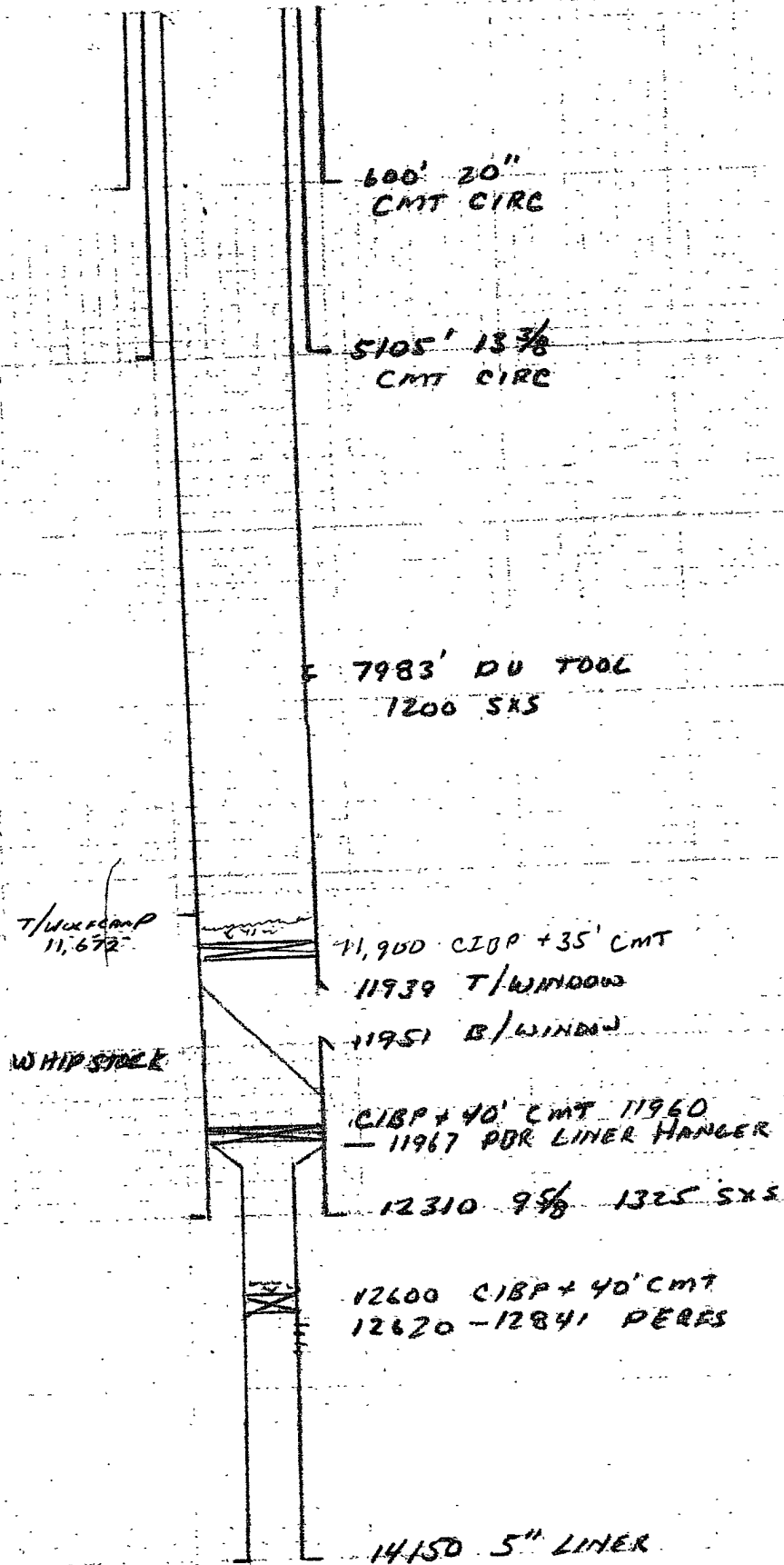
(Instructions on page 2)

APR 16 2012

BACK BASIN #1

30-025-27051

CURRENT 2/15/2012



Back Basin 1
30-025-27051
Endurance Resources, LLC
April 11, 2012
Conditions of Approval

1. Surface disturbance beyond the originally approved pad must have prior approval.
2. Closed loop system required.
3. Operator to have H2S monitoring equipment on location.
4. A minimum of a 3,000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
5. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
6. OPERATOR IS IN NON-COMPLIANCE AS A WELL SHALL NOT BE SHUT IN WITHOUT APPROVAL MORE THAN 30 DAYS. OPERATOR HAS NOT DONE WORK APPROVED IN 2010. NO PRODUCTION SINCE AUGUST 2006.
7. WELL IS NOT PLUGGED PROPERLY – REQUIRED PLUG AT MORROW NOT SET, 9-5/8" CASING SHOE PLUG NOT SET, TOP OF LINER PLUG NOT SET (CIBP NOT ADEQUATE). THE OPERATOR DID NOT REQUEST APPROVAL TO SET EITHER THE CIBP SET AT 12,300' OR THE CIBP SET AT 11,958'. OPERATOR SCHEMATIC SHOWS THAT THERE IS A CIBP AT 12,600' AND 11,960', WHICH DOES NOT AGREE WITH DOCUMENTS SUBMITTED TO THE BLM. OPERATOR TO REVIEW RECORDS AND PROVIDE A CORRECTED WELL BORE SCHEMATIC.
8. OPERATOR STATED IN 2010 THAT THEY CANNOT DRILL OUT THE WHIPSTOCK AND PROPERLY PLUG THE WELL.
9. The operator shall tag the CIBP at 11,900' and place 25 sacks of Class H (16.4 ppg, 1.06 yield) cement on CIBP.
10. Operator shall set a plug across the top of the Wolfcamp formation. Plug shall be Class H (16.4 ppg 1.06 yield), 220' in length and tagged at 11,600' or shallower.
11. Operator has the option of pumping sufficient cement in step 9 to achieve a top of cement at 11,600' or shallower. Plug shall be tagged.
12. Operator shall submit a subsequent sundry within 30 days of completing work detailing work completed. Include current well bore schematic.
13. Operator shall submit a completion report for the recompletion within 30 days of completion.

- 14. Operator shall submit sundry within 5 days of production start stating well is on production and shall specify exact date.**
- 15. Operator has 90 days to have the well back on production in paying quantities. A 72 hour independent well test required to confirm paying production.**

WWI 041112