Form: 3160-5 (April 2004)

UNITED STATES ----DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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rURM APPROVED OMB No 1004-0137 March 31, 2007

Expires:	March 31,	2
ease Serial No		

5.	Lease Serial No.	
	NM 18306	
~	If Indian Allettes on Tribe Morne	

SUNDRY	11171 10000							
Do not use the abandoned we	26. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No.							
SUBMIT IN TRI	PLICATE- Other inst	ructions on revers	e side	7. If Unit or CA/Agreement, Name and/or No.				
1. Type of Well Oil Well 🗆 📗	3 000	8. Well Name and No.						
2. Name of Operator Endurance R	Back Basin #1 9. API Well No.							
3a. Address P.O. Box 1466, Artesia, NM 88	211	3b. Phone No. (include a 575.308.0722	rea code)	30-025-27051 10. Field and Pool, or Exploratory Area				
4. Location of Well (Footage, Sec., 1	T., R., M., or Survey Description)			11. County or Parish, State				
1980' FSL & 660' FEL Sec. 20	1980' FSL & 660' FEL Sec. 20 T23S-R34E							
/	/			Lea County, NM				
12. CHECK AI	PPROPRIATE BOX(ES) TO	INDICATE NATURE	OF NOTICE, I	REPORT, OR OTHER DATA				
TYPE OF SUBMISSION		TYPI	E OF ACTION					
If the proposal is to deepen dir Attach the Bond under which following completion of the in testing has been completed. F determined that the site is read Install 1500 S 3000# BOF Selective perforate Bone Acid with 2,000 gallons 7	ectionally or recomplete horizont the work will be performed or provolved operations. If the operational Abandonment Notices shall by for final inspection.) on 9 5/8"csng. Springs Sand 10,400-10,600"	any, give substitute location ovide the Bond No. on file won results in a multiple complete filed only after all requirem	ith BLM/BIA. Requietion or recompletion nents, including reclaiments, including reclaiments.	Well Integrity Other Abandon al Tany proposed work and approximate duration thereof, true vertical depths of all pertinent markers and zones, nired subsequent reports shall be filed within 30 days in a new interval, a Form 3160-4 shall be filed once amation, have been completed, and the operator has A COMM				
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14 II . L	regoing is true and correct							

I hereby certify that the for Name (Printed/Typed) Title Geologist Randall Harris 01/1ARB12PRO Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title 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 Office 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 anymatter within its jurisdiction.

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District I 1625 N. French Dr., 16	nthby NM 8824		s ocd		State of New	Mexico					Form C-102
Phone (575) 393-6161		3-0720	Energy	v Mine	rale & Natura	al Resources	Denari	ment		Revis	ed August 1, 2011
District II R11 S. bust St. Artesus	NM 88210	APR 1	8 20125	OH C		m resources	ON	Mont	Sub	mit one c	opy to appropriate
Phone (575) 393-6161 Fax (575) 393-0720 <u>Distinct II</u> 811 S Fust St., Artesia, NM 88210 Phone (575) 748-1283 Fax: (575) 748-9720 APR 1 8 2012 OIL CONSERVATION DIVISION											District Office
District III 1000 Rio Brazos Road	Aztec NM 87	410		12	220 South St.	Francis Dr.					Diomet Cirio
Phone (505) 334-6178	Fax (505) 334	-6170 RECI	EIVED		Santa Fe, NN	A 87505				Памі	ENDED REPORT
District (V 1220 S. St. Francis Dr.	Santa Fe. NM	87505			5ana 1 0, 111	VI 07505				****	
Phone (505) 476-3460											
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7 OGRID	No.				⁸ Operator !					9	Elevation
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					¹⁰ Surface I	ocation					
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160			_								į
division.				T				17.01	PERATO	R CERT	TIFICATION
											d herein is true and complete
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											r of such a mineral or working
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Certificate Number

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

- 1. Contact BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.
- 2. Surface disturbance beyond the originally approved pad must have prior approval.
- 3. Closed loop system required.
- 4. Operator to have H2S monitoring equipment on location.
- 5. 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 precharge. The pre-charge test shall follow requirements in Onshore Order #2.
- 6. 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.
- 7. 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.
- 8. 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.
- 9. OPERATOR STATED IN 2010 THAT THEY CANNOT DRILL OUT THE WHIPSTOCK AND PROPERLY PLUG THE WELL.
- 10. 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.
- 11. 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.
- 12. 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.
- 13. Operator shall submit a subsequent sundry within 30 days of completing work detailing work completed. Include current well bore schematic.

- 14. Operator shall submit a completion report for the recompletion within 30 days of completion.
- 15. Operator shall submit sundry within 5 days of production start stating well is on production and shall specify exact date.
- 16. 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

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