30-025-23155

HOBBS OCD

FEB 07 2013

RECEIVED

SURFACE USE PLAN
ENDEAVOR ENERGY RESOURCES, L.P.
PAN AM FEDERAL "25" SWD #1
UL "L" SECTION 25, T25S-R33E, LEA CO. NEW MEXICO

1. **EXISTING AND PROPOSED ROADS:**
   A. **Exhibit "A":** The proposed well site as staked.
   B. **Exhibit "B" & "B-1":** County General Highway maps showing existing roads.
   C. **Exhibit "C":** USGS topographic map showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. All new roads will be constructed to BLM specifications.
   D. **Exhibit "D":** Satellite image
   E. **Directions to location:** From Jal, New Mexico: Go W on HWY 128 for 10 mi, Between mile marker 38 & 39 turn L on Battle Axe Rd, Go 13 mi SW to Stop Sign, Turn R go 0.1 mi W, Hard Right 1.3 mi to Red Bull 35 Federal #1 Location, Go ¼ mi NE to Burton 35 #1 Location, Go N 0.25 mi, Turn R, Go 0.1 mi E, Turn L, Go 0.3 mi N to Location.
   F. **Proposed Flowlines/Road/Powerlines:** Flowlines and powerlines will follow existing road.
   G. **Production Facilities:** Production facilities will be constructed on location.
2. **PLANNED ACCESS ROADS:** No new roads will be required for this location.
   A. The access roads will be crowned and stitched to a 14' wide travel surface, within a 30' R-O-W.
   B. Gradient of all roads will be less than 5%.
   C. Turn-outs will be constructed where necessary.
   D. If require new access roads will be surface with a minimum of 4-6" of caliche. This material will be obtained from a local source.
   E. Center line for new roads will be flagged; road construction will be done as field conditions require.
   F. Culverts will be placed in the access road as drainage conditions require. Roads will be constructed to use low water crossings for drainage as required by the topographic conditions.
3. **LOCATION OF EXISTING WELLS WITHIN ONE MILE RADIUS: EXHIBIT "E"**
   A. Water wells - One water well as shown on Exhibit "E"
   B. Disposal wells - 0.7 mi West in Sec 26, T25S, R33E, 1810' FEL, 2020' FNL
   C. Drilling wells - 0.6 mi SW in Sec 35, T25S, R33E, 660' FNL, 660' FEL
   D. Producing wells - As shown on Exhibit "E"
   E. Abandoned wells - As shown on Exhibit "E"

SURFACE USE PLAN
ENDEAVOR ENERGY RESOURCES, L.P.
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4. **PROPOSED ROADS/FLOWLINES/POWERLINES:** On completion this Saltwater Disposal Well (SWD) the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Exhibit "D" shows proposed roads, flowlines and powerlines.

5. **LOCATION & TYPE OF WATER SUPPLY:** Water will be purchased locally from a commercial source and trucked over the location access roads or piped to location in flexible lines laid on top of the ground.

6. **SOURCE OF CONSTRUCTION MATERIAL:** If possible construction material will be obtained from the excavation of the drill site, if additional material is required it will be obtained from a local source and transported over the location access roads as shown on Exhibit "D".

7. **METHODS OF HANDLING WASTE:**

   A. All trash, junk and other waste material will be contained in trash cages or trash bins in order to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary land fill.

   B. Sewage from living quarters will be drained into holding tanks and will be cleaned out periodically. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of well.

   C. Where a closed loop mud system is used to drill a well the drilling fluid that remains after the drilling and casing is run or the well is Plugged and abandoned will be removed from the location and in some cases may be used on another well or transported to a State approve disposal site. The drilling cuttings that result from drilling the well will likewise be transported to a State approved disposal site.

   D. All water produced while completing this well and completion fluids will be treated in the same procedure as the drilling fluids.

   E. Any remaining salts or mud additives that were not used will be removed by the supplier; this includes all broken sacks and containers.

8. **ANCILLARY FACILITIES:**

   A. No camps or air strips will be constructed on this location.

SURFACE USE PLAN
ENDEAVOR ENERGY RESOURCES, L.P.
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9. **WELL SITE LAYOUT:**

   A. Exhibit "F" shows a generic well site for a well drilled using a closed mud system.

10. **PLANS FOR RESTORATION OF SURFACE:**

   A. Rehabilitation of the surface will start after the well has been completed, if the well is completed as a producer production facilities will be constructed on the location. What area is not required for the operation of this project will be reclaimed and restored as near as possible to the original grade and vegetation.

   B. If in case this well is unsuccessful and is a dry hole the drilling pad and the access roads will be reclaimed according to specifications provided by The Bureau of Land Management. Caliche or other road material will be removed for the possible use in another location or deposited in an approved reclamation site.

      Drill cuttings and mud used to drill this well will be removed and disposed of at an approved disposal site. All trash and any other debris will be collected disposed of as the above.

11. **ADDITIONAL INFORMATION:**

   A. The topography in this area is flat with a slight dip toward the East.

   B. The vegetation consists of Native grasses, scattered Mesquite, soil is a sandy loam with caliche at or near the surface.

   C. The surface and minerals are owned by the U.S. Department of Interior and are administered by The Bureau of Land Management. An agreement has been made to the surface use of the roads and location.

   D. The Permian Basin MOA will be utilized in leiu of an archaeological survey.

   E. There are no dwellings within 2 miles of this location.

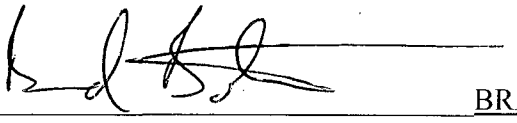
   F. **Exhibit "G"**: SWD Facilities Site Plan

SURFACE USE PLAN
ENDEAVOR ENERGY RESOURCES, L.P.
PAN AM FEDERAL "25" SWD #1
UL "L" SECTION 25, T25S-R33E, LEA CO. NEW MEXICO

I HEREBY CERTIFY THAT I OR PERSONS UNDER MY DIRECT SUPERVISION HAVE INSPECTED THE PROPOSED DRILL SITE AND THE ACCESS ROAD ROUTES, THAT I AM FAMILIAR WITH THE CONDITIONS THAT CURRENTLY EXIST, THAT THE STATEMENTS MADE IN THIS PLAN ARE TO THE BEST OF MY KNOWLEDGE ARE TRUE AND CORRECT, AND THAT THE WORK ASSOCIATED WITH THE OPERATIONS PROPOSED HEREIN WILL BE PERFORMED BY ENDEAVOR ENERGY RESOURCES, LP., ITS CONTRACTORS AND/OR ITS SUB-CONTRACTORS AND IS IN CONFORMANCE WITH THIS PLANS AND TERMS AND THE CONDITIONS UNDER WHICH IT IS APPROVED. THIS STATEMENT IS SUBJECT TO THE PROVISIONS OF U.S.C. FOR FILING A FALSE REPORT.

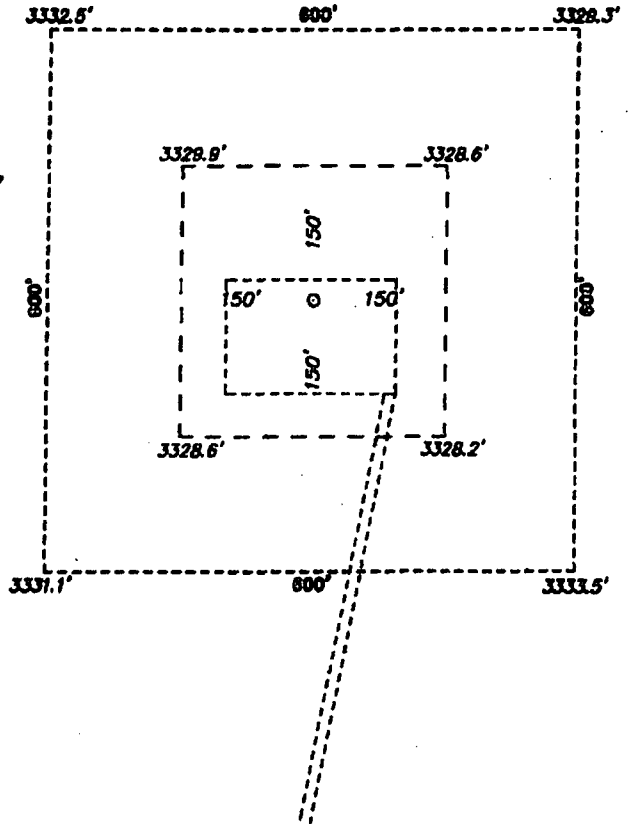
OPERATOR'S REPRESENTATIVES:

ENDEAVOR ENERGY RESOURCES, L.P.
110 NORTH MARIENFELD, SUITE 200
MIDLAND, TEXAS 79701
BRAD BATES 432-262-4034 (OFFICE)
432-638-0543 (MOBILE)

NAME:  BRAD BATES

TITLE: PETROLEUM ENGINEER DATE: 5/17/2012

SECTION 25, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



ENDEAVOR ENERGY RESOURCES, LP
PAN AM FEDERAL "25" SWD #1
ELEV. - 3327'

Lat - N 32°05'58.88"
Long - W 103°31'58.95"
NMSPCE- N 400824.462
E 798325.239
(NAD-83)

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF BLACK AXE AND HWY 122, GO SOUTH ON BATTLE AXE FOR 12 MILES TO LEASE ROAD, ON TURN WEST THENCE NORTH ON LEASE ROAD GO NORTH 2.3 MILES TO PROPOSED LEASE ROAD.

ENDEAVOR ENERGY RESOURCES, LP

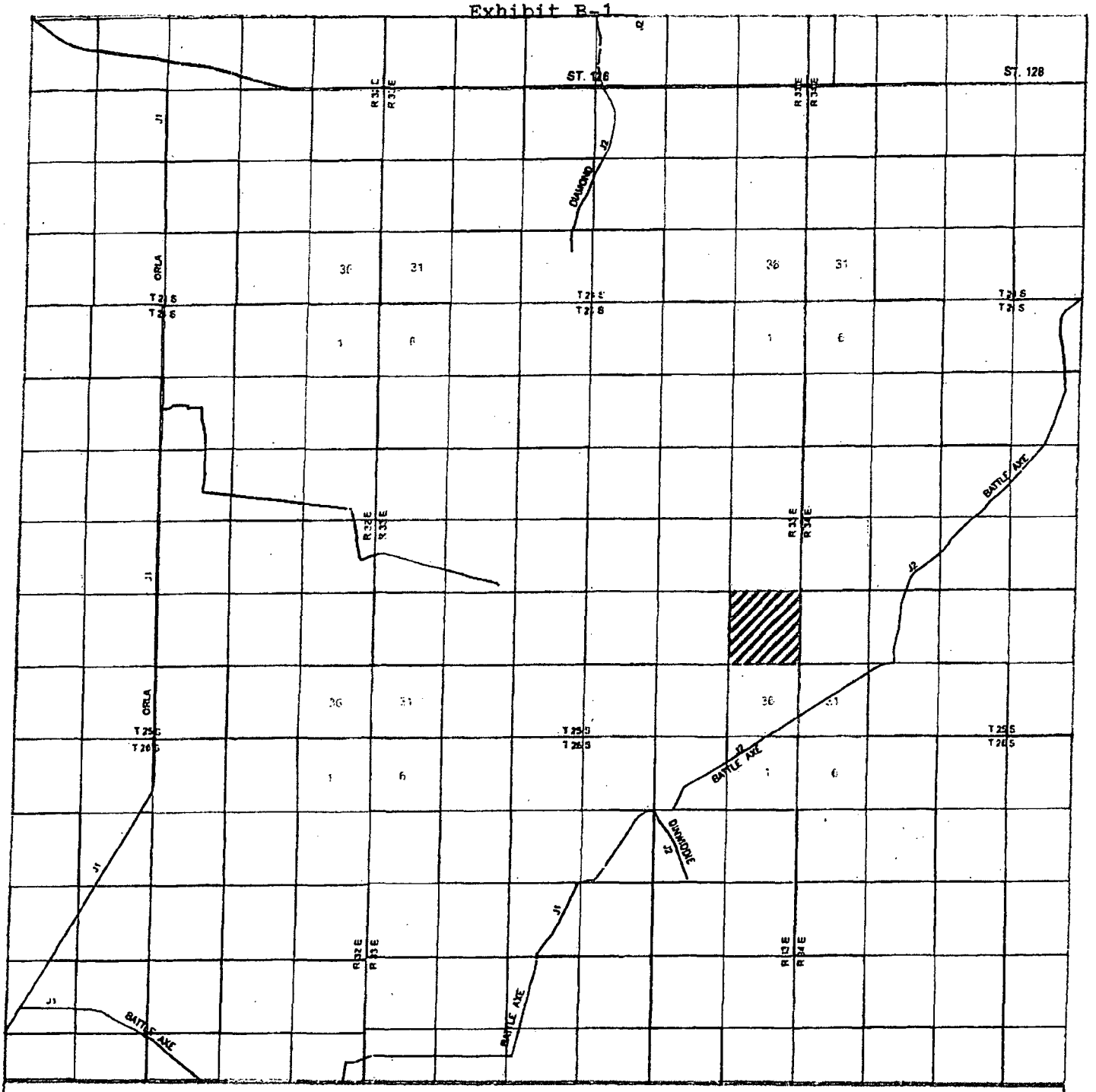
REF: PAN AM FEDERAL "25" SWD #1 / WELL PAD TOPO

THE PAN AM FEDERAL "25" SWD #1 LOCATED 1980' FROM THE SOUTH LINE AND 660' FROM THE WEST LINE
SECTION 25, TOWNSHIP 25 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 26347	Drawn By: J. SMALL		
Date: 02-27-2009	Disk: JMS 26347	Survey Date: 03-06-2012	Sheet 1 of 1 Sheets

Exhibit B-1



PAN AM FEDERAL "25" SWD #1
Located 1980' FLS and 660' FWL
Section 25, Township 25 South, Range 33 East,
N.M.P.M., Lea County, New Mexico.

Basin Surveys
focused on excellence in the oilfield

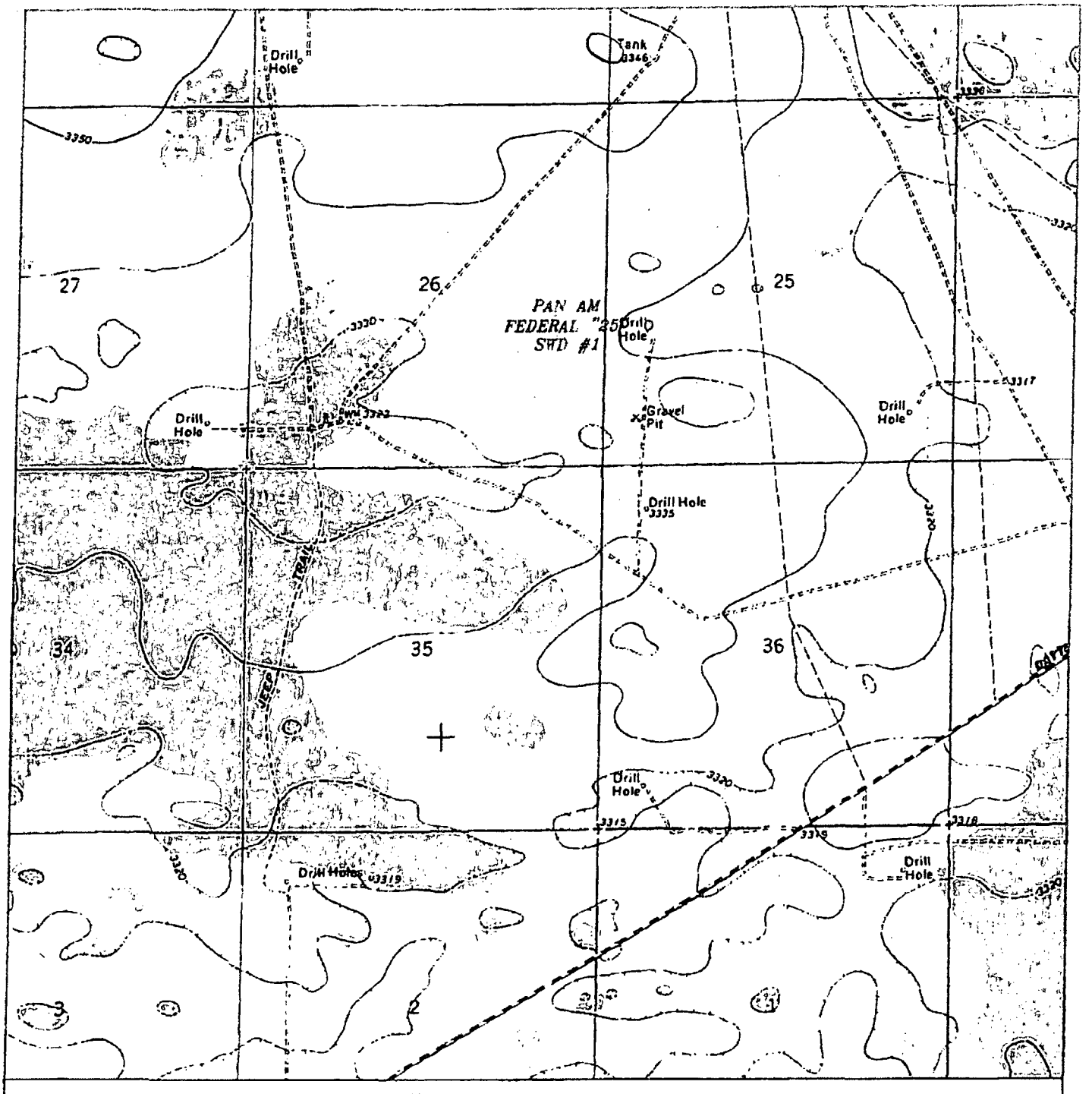
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 26347
Survey Date: 03-06-2012
Scale: 1" = 2 Miles
Date: 03-13-2012

N

ENDEAVOR ENERGY RESOURCES, LP

Exhibit C



PAN AM FEDERAL "25" SWD #1
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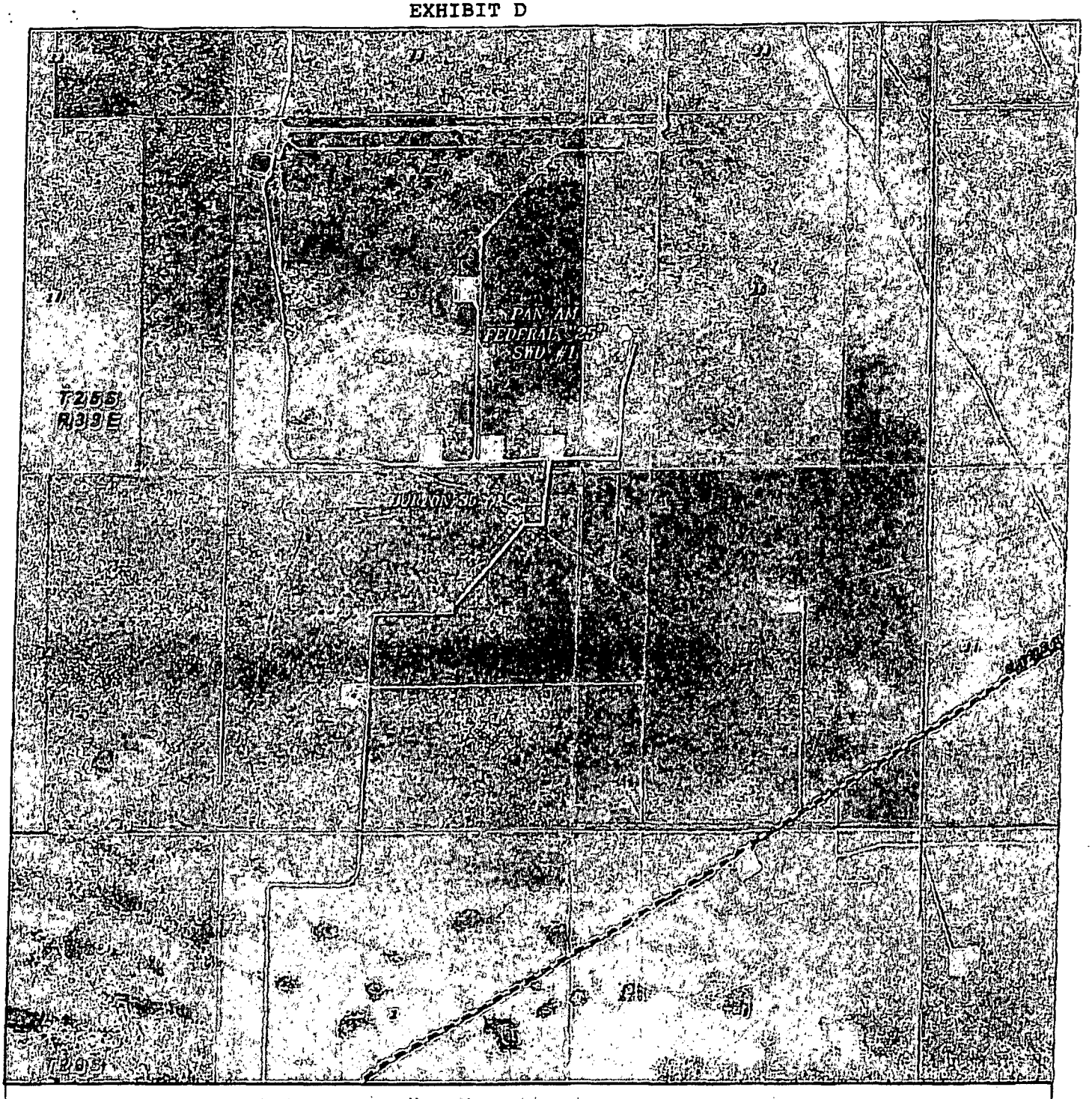
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number:	JMS 25347
Survey Date:	03-06-2012
Scale:	1" = 2000'
Date:	05-13-2012

ENDEAVOR ENERGY RESOURCES, LP

EXHIBIT D



PAN AM FEDERAL "25" SWD #1

LOCATED 1980' FSL and 660' FWL

Section 25, Township 25 South, Range 33 East,
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basinsurveys.com

W.O. Number: JMS 26347

Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

ENDEAVOR ENERGY RESOURCES, LP

Exhibit B

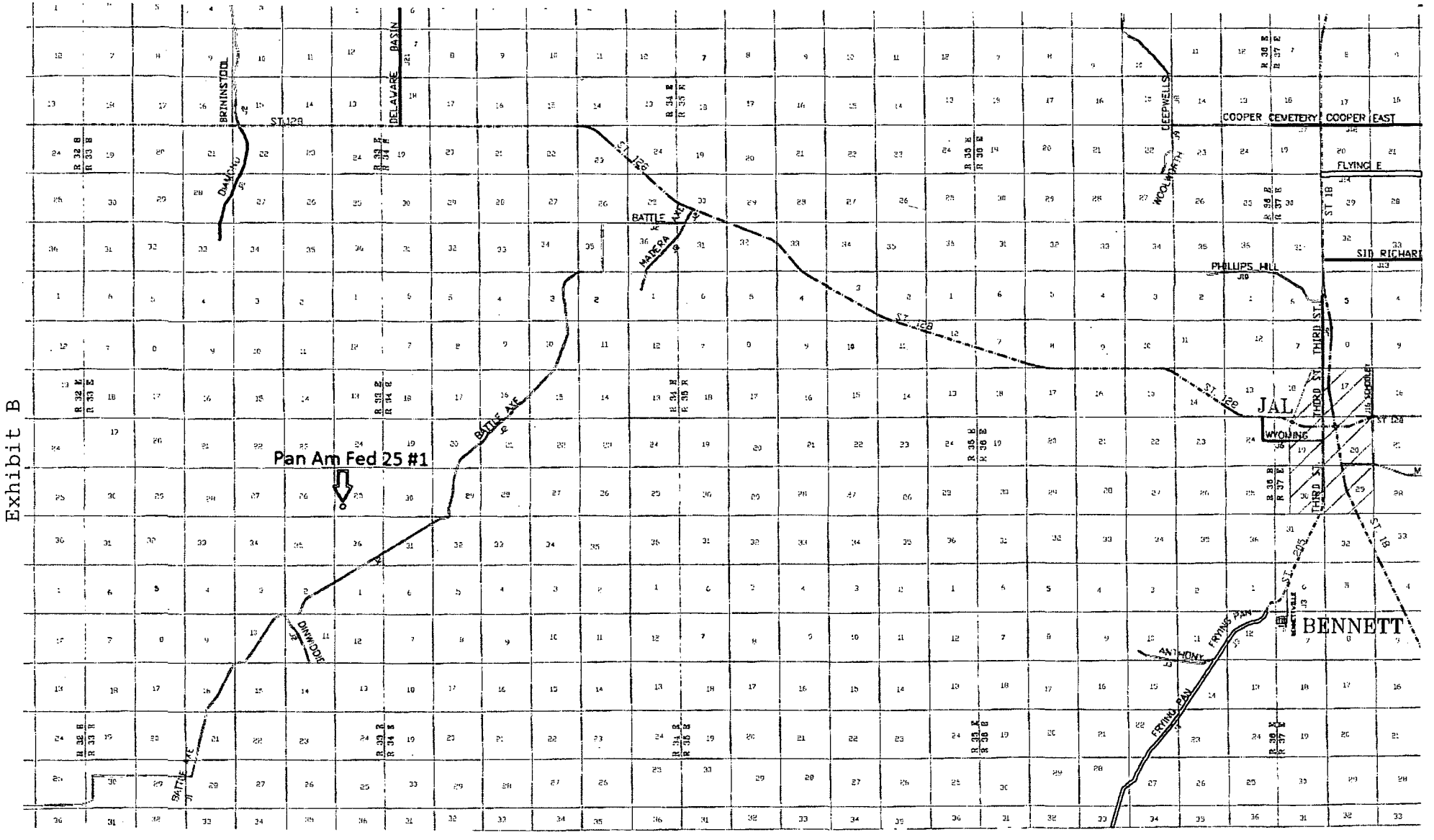
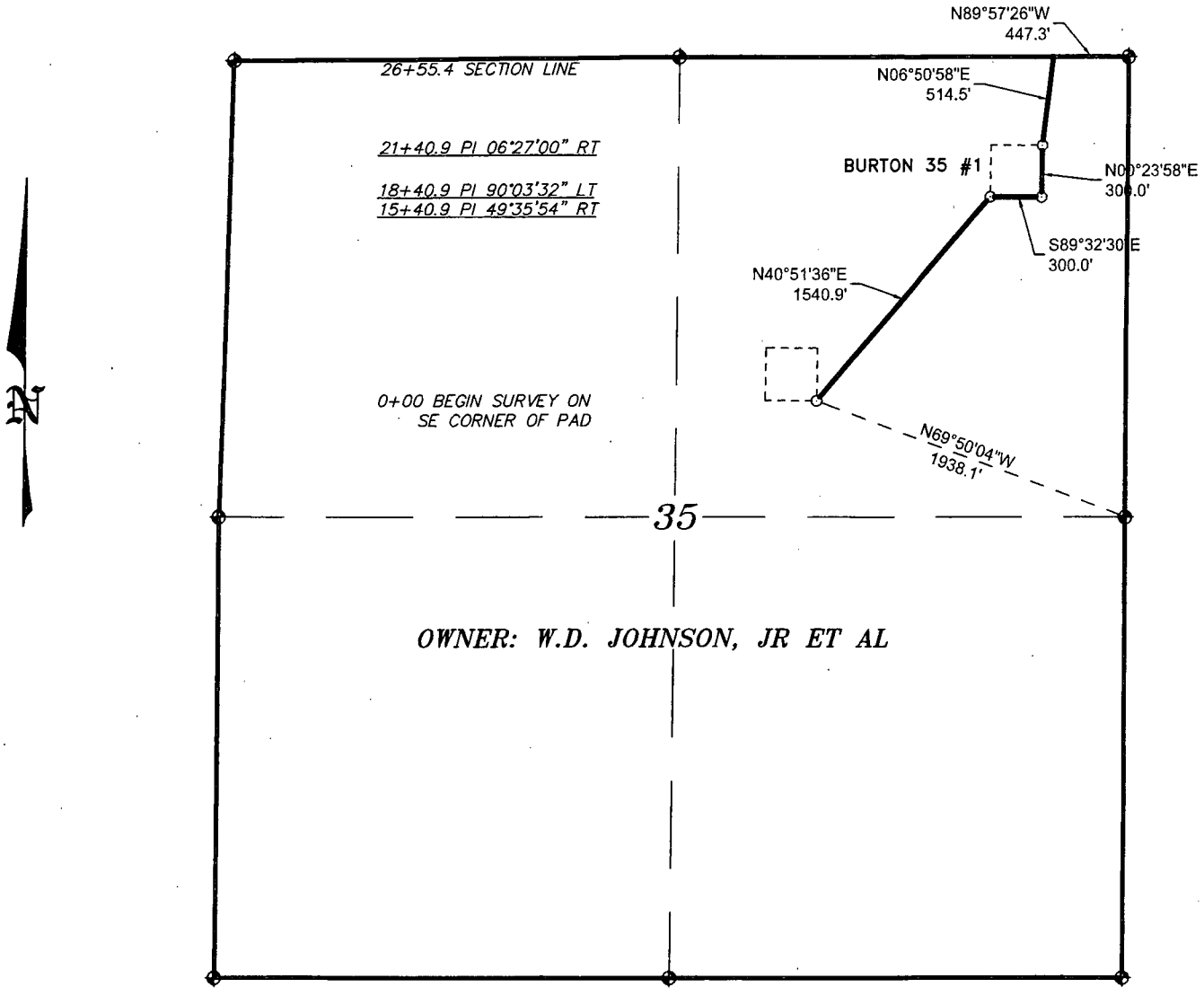

Pan Am Fed 25 #1
JAL
BENNETT
COOPER CEMETERY
COOPER EAST
FLYING E
SID RICHARDSON
PHILLIPS HILL
WYOMING
BRININSTOOL
DELAWARE BASIN
BATTLE AXE
DAGGER DRAW
FRYING PAN
ANTHONY
WOOLWORTH
MARRA
THIRD ST
ST 128
ST 18
ST 205

EXHIBIT C-1

SECTION 35, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M.,

LEA COUNTY, **NEW MEXICO.**



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 35, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES N.69°50'04"W., 1938.1 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 35; THENCE N.40°51'36"E., 1540.9 FEET; THENCE S.89°32'30"E., 300.0 FEET; THENCE N.00°23'58"E., 300.0 FEET; THENCE N.06°50'58"E., 514.5 FEET TO A POINT ON THE NORTH SECTION LINE WHICH LIES N.89°57'28"W., 447.3 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 35. SAID STRIP OF LAND BEING 2655.4 FEET OR 160.93 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES — NEW MEXICO No. 7977 — TEXAS P.L.S. No. 5074

1000 0 1000 2000 FEET

ENDEAVOR ENERGY RESOURCES, LP

REF: PROPOSED LEASE ROAD TO THE PAN AM FEDERAL 25 SWD #1

A LEASE ROAD CROSSING FEE LAND IN

SECTION 35, TOWNSHIP 25 SOUTH, RANGE 33 EAST,

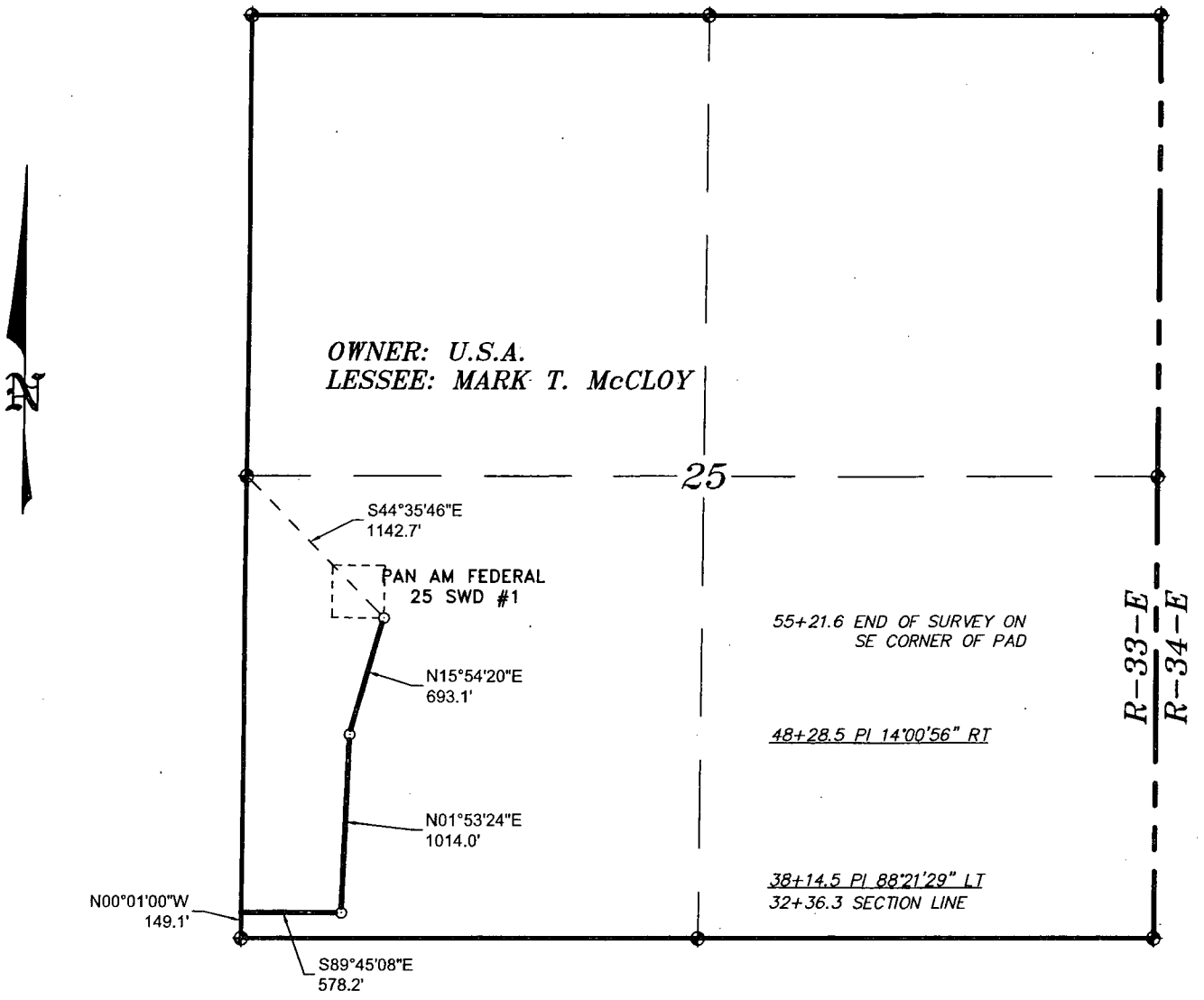
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

W.O. Number: 26347	Drawn By: K. GOAD		
Date: 04-02-2012	Disk: KJG – 26347ROAD	Survey Date: 03-06-2012	Sheet 1 of 3 Sheets

EXHIBIT C - 2

SECTION 25, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 25, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SEC. 25 2285.3 FEET = 0.43 MILES = 138.50 RODS = 1.57 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES — No. 7977
TEXAS P.L.S. — No. 5074

1000 0 1000 2000 FEET

BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

ENDEAVOR ENERGY RESOURCES, LP

REF: PROPOSED LEASE ROAD TO THE PAN AM FEDERAL 25 SWD #1

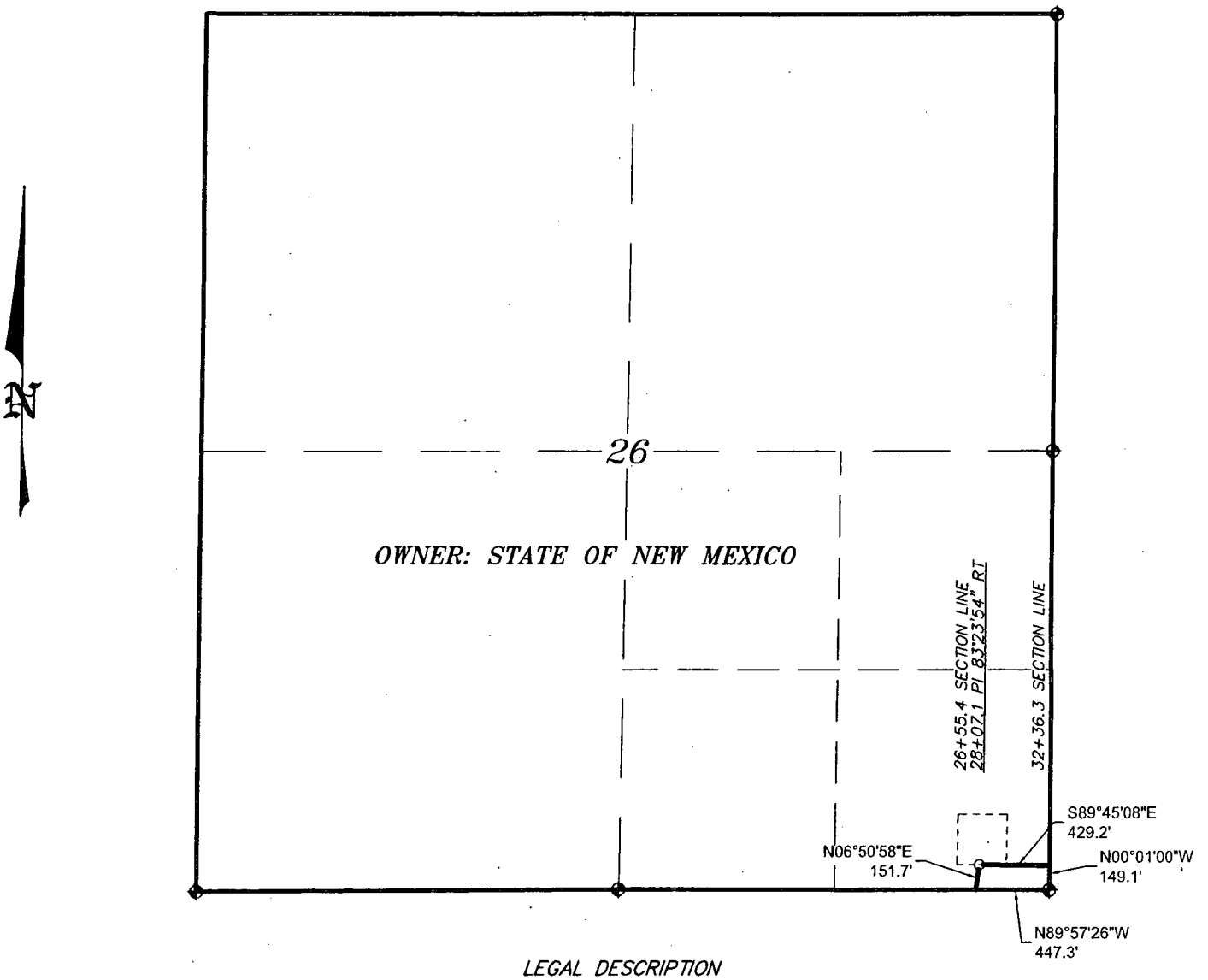
A LEASE ROAD CROSSING USA LAND IN
SECTION 25, TOWNSHIP 25 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

W.O. Number: 26347	Drawn By: K. GOAD		
Date: 04-02-2012	Disk: KJG – 26347ROAD	Survey Date: 03-06-2012	Sheet 3 of 3 Sheets

EXHIBIT C_3

SECTION 26, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M.,

LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 26, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT ON THE SOUTH SECTION LINE WHICH LIES N.89°57'26"W., 447.3 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 26; THENCE N.06°50'58"E., 151.7 FEET; THENCE S.89°45'08"E., 429.2 FEET TO A POINT ON THE EAST SECTION LINE WHICH LIES N.00°01'00"W., 149.1 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 26. SAID STRIP OF LAND BEING 580.9 FEET OR 35.21 RODS IN LENGTH AND CONTAINING 0.40 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS.

SE/4SE/4 35.21 RODS OR 0.40 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES — NEW MEXICO No. 7977 — TEXAS P.L.S. No. 5074

1000 0 1000 2000 FEET

BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

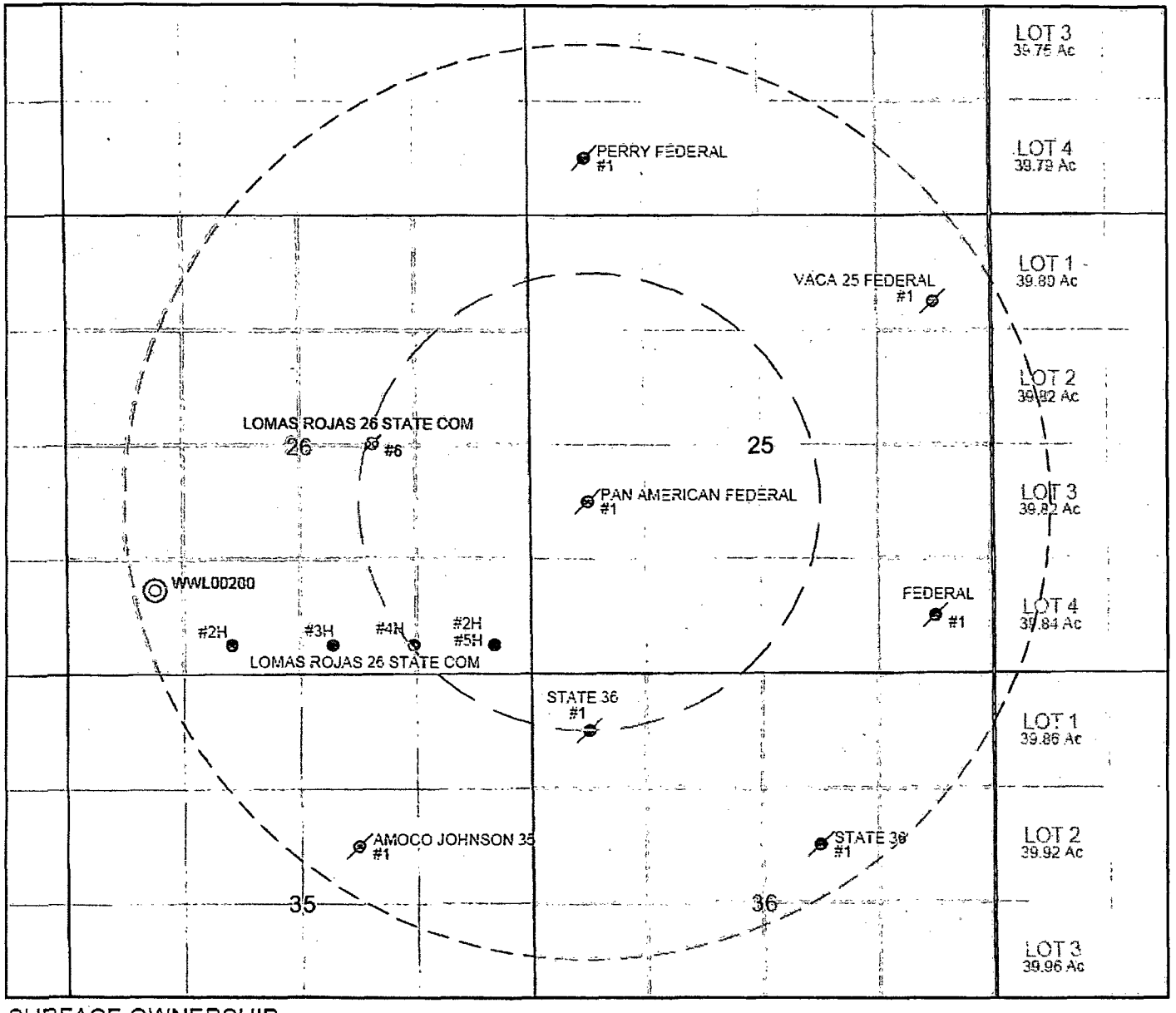
ENDEAVOR ENERGY RESOURCES, LP

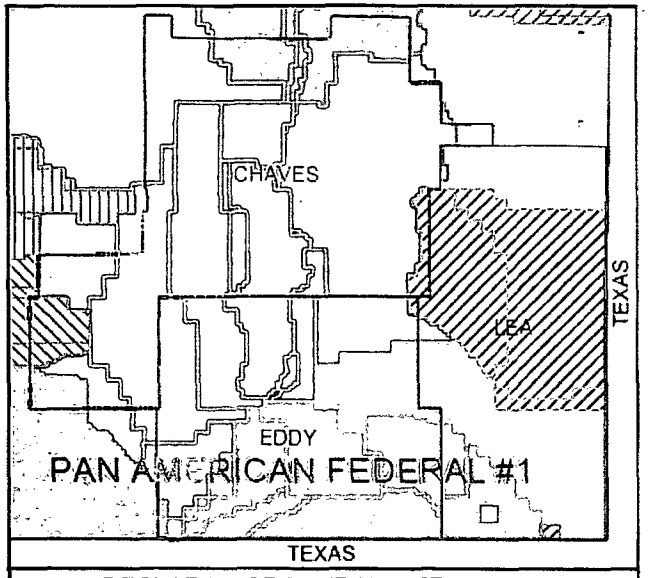
REF: PROPOSED LEASE ROAD TO THE PAN AM FEDERAL 25 SWD #1

A LEASE ROAD CROSSING STATE LAND IN SECTION 26, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

W.O. Number: 26347	Drawn By: K. GOAD		
Date: 04-02-2012	Disk: KJG – 26347ROAD	Survey Date: 03-06-2012	Sheet 2 of 3 Sheets

Exhibit E





DECLARED GROUND WATER BASINS

- CAPITAN
- CARLSBAD
- FORT SUMNER
- LEA COUNTY
- JAL
- HONDO
- SALT BASIN
- PENASCO
- PORTALES
- ROSWELL ARTESIAN

1 MILE RADIUS — TOWNSHIP LINE

1/2 MILE RADIUS — SECTION LINE

SCALE: 1" = 2000'

0 MI 1/4 1/2 1 MI

SURFACE OWNERSHIP

- BLM
- STATE
- PRIVATE
- BUREAU OF RECLAIM.
- NATIONAL PARK SERV.
- FOREST SERVICE
- PARK
- WILDLIFE REFUGE
- TRIBAL LANDS

- ACTIVE OIL
- ACTIVE GAS
- ACTIVE INJECTION
- ACTIVE WATER
- ACTIVE SWD
- INACTIVE OIL
- INACTIVE GAS
- INACTIVE INJECTION
- INACTIVE WATER
- INACTIVE SWD
- WATER WELL

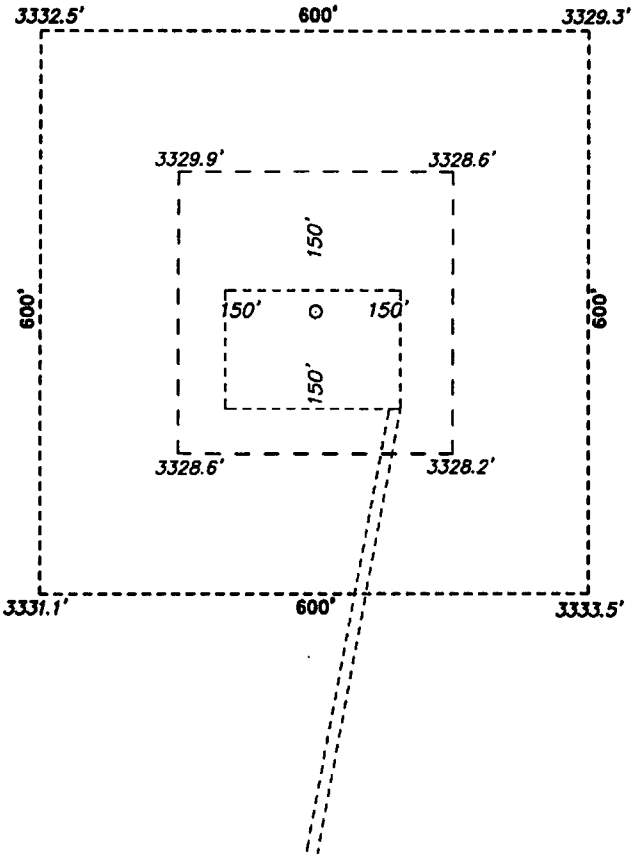
ENDEAVOR ENERGY RESOURCES ,LP

PAN AMERICAN FEDERAL #1

API:	3002523155		
SEC:	25	TWP:	25S
UNIT:	L	RNG:	33E
	1980 FSL		660 FWL
COUNTY:	LEA		
	S 86 W - 19.9 MILES FROM JAL, NM		
LAT:	32°05.980' N.	LON:	103°31.945' W.
NO WARRANTY IS EXPRESSED OR IMPLIED AS TO THE RELIABILITY AND/OR COMPLETENESS OF THIS MAP		REV:	03/30/12

www.WELLPROMAPPING.COM

SECTION 25, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



ENDEAVOR ENERGY RESOURCES, LP
PAN AM FEDERAL "25" SWD #1
ELEV. - 3327'

Lat - N 32°05'58.88"
Long - W 103°31'56.95"
NMSPCE- N 400924.462
E 798325.239
(NAD-83)

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF BLACK AXE AND HWY 122, GO SOUTH ON BATTLE AXE FOR 12 MILES TO LEASE ROAD, ON TURN WEST THENCE NORTH ON LEASE ROAD GO NORTH 2.3 MILES TO PROPOSED LEASE ROAD.

ENDEAVOR ENERGY RESOURCES, LP

REF: PAN AM FEDERAL "25" SWD #1 / WELL PAD TOPO

THE PAN AM FEDERAL "25" SWD #1 LOCATED 1977' FROM THE SOUTH LINE AND 653' FROM THE WEST LINE OF SECTION 25, TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 26347	Drawn By: J. SMALL		
Date: 02-27-2009	Disk: JMS 26347	Survey Date: 03-06-2012	Sheet 1 of 1 Sheets

Exhibit B

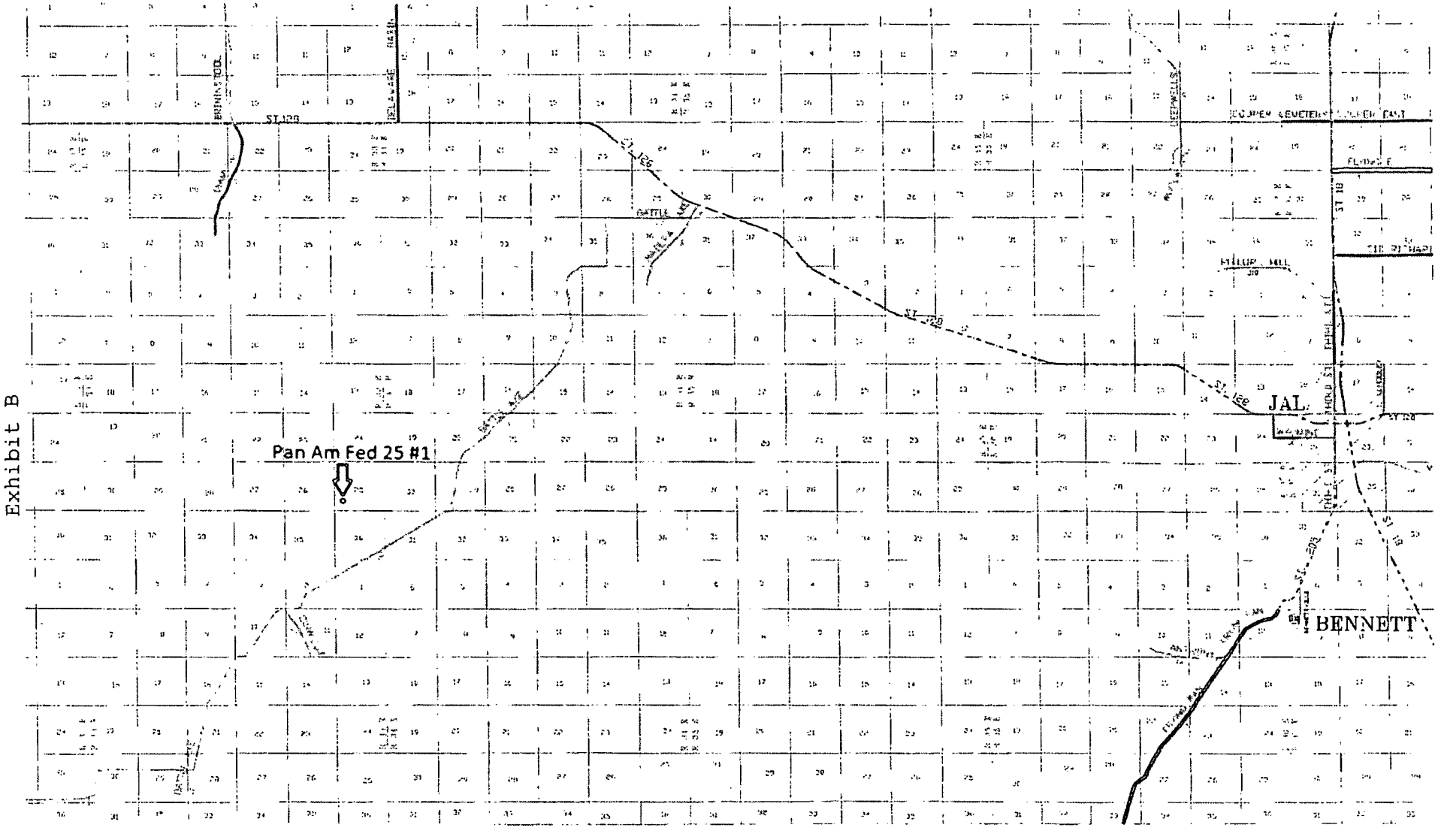
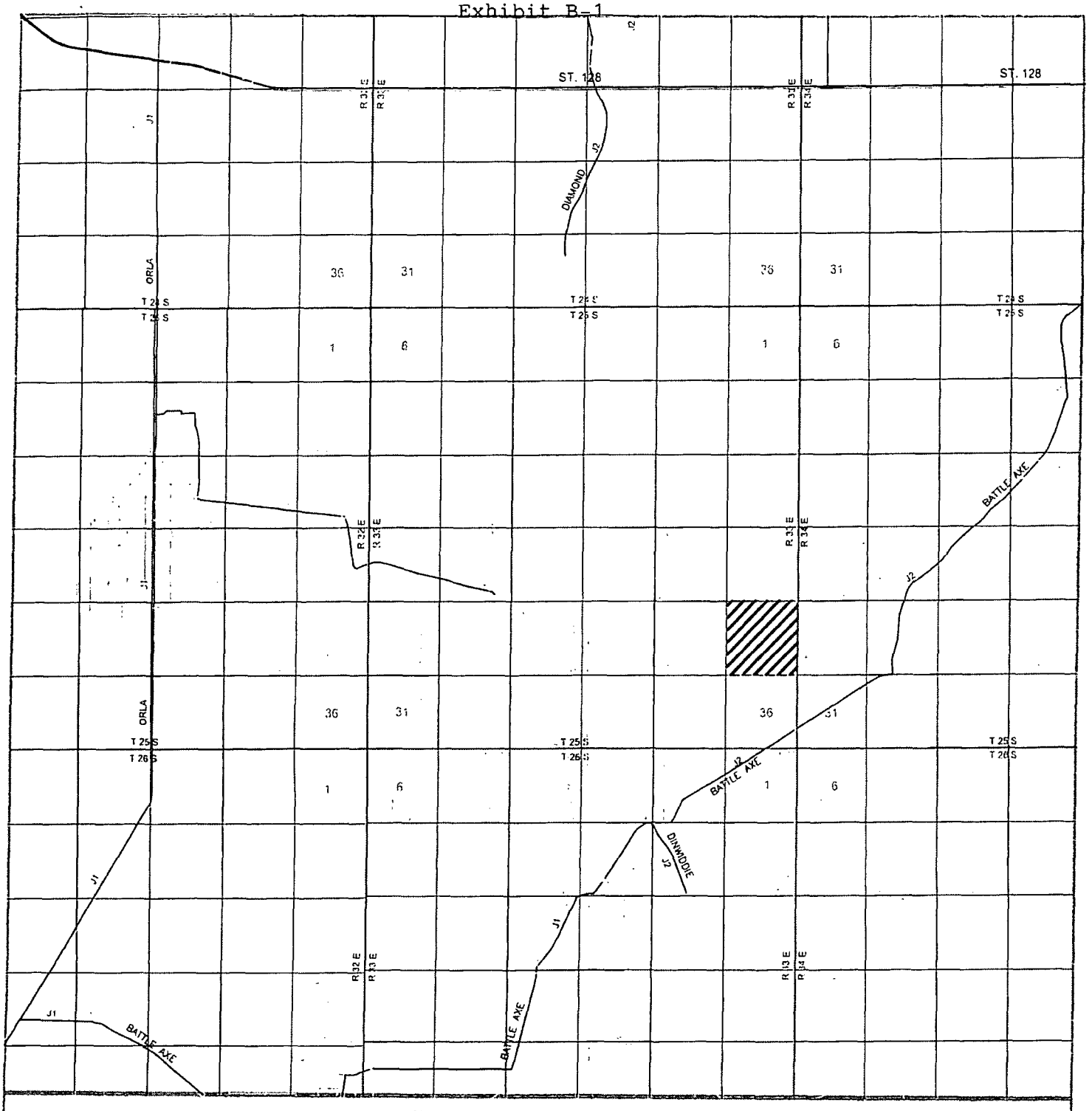


Exhibit B-1



PAN AM FEDERAL "25" SWD #1
Located 1977' FSL and 653' FWL
Section 25, Township 25 South, Range 33 East,
N.M.P.M., Lea County, New Mexico.

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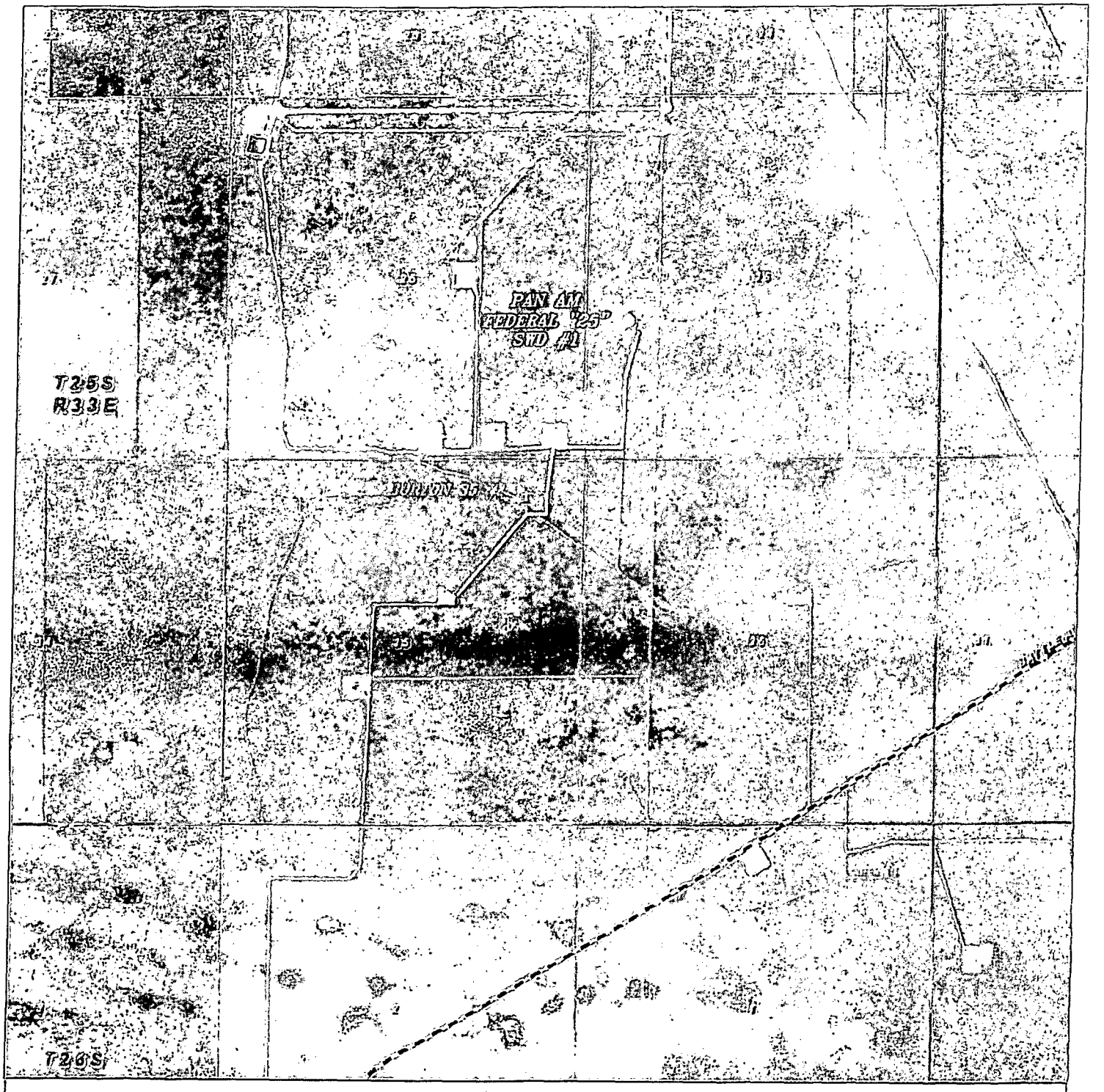
basinsurveys.com

W.O. Number: JMS 26347
Survey Date: 03-06-2012
Scale: 1" = 2 Miles
Date: 03-13-2012

N

ENDEAVOR ENERGY RESOURCES, LP

EXHIBIT D



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Section 25, Township 25 South, Range 33 East,
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W.O. Number: JMS 26347

Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

ENDEAVOR ENERGY RESOURCES, LP

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

FORM H-9
12/12/77

CERTIFICATE OF COMPLIANCE STATEWIDE RULE 36

FILE WITH DISTRICT OFFICE IN TRIPLICATE

1. Operator	2. Operator Number (See Instruction 13)	3. RRC Dist.
Endeavor Energy Resources		

4. Street or P. O. Box No.	5. City	6. State	7. Zip Code
		NM	

8. Name of Lease, Facility or Operation	9. Field or Area Name	10. County
Pan Am Federal "25" SWD #1	UL "L" Section 25	Lea

11. General Operation Type – Circle One:

(A-Oil Field Production) B-Gas Field Production C-Pipeline or Gathering Sys. D-Gasoline Plant E-Drilling or Workover F-Sweetening Unit G-Combination (explain) H-Other (explain)

Other Explanation

12. RRC ID# of Operation(s) to be Covered by This Certificate	Type ID Code (See Instruction 12)	Indicate if Filing for Storage Facility Only YES	NO
			X

13. Hydrogen Sulfide Concentration N/A PPM

14. Maximum Escape Volume N/A MCF/Day

15. 100 PPM Radius of Exposure (ROE) N/A Ft.

16. 500 PPM Radius of Exposure (ROE) N/A Ft.

17. Operation is Existing ☐ New ☒

18. Modification Resulting in Certificate Change Yes ☐ No ☒

19. Workover or Drilling Well with 100 PPM ROE Greater than 3000' feet on Rule 36 Certified Well/Lease Yes ☐ No ☒

20. Previous Certificate Number if Available (For Amended Certificates) _____

21. The 100 PPM ROE includes any part of a public area except a public road Yes ☐ No ☒

22. The 500 PPM ROE includes any part of a public road Yes ☐ No ☒

23. Injection of fluid containing Hydrogen Sulfide (See Instruction 14) Yes ☐ No ☒

24. Date (or Depth) of Compliance with all applicable provisions of Rule 36 ___/___/ 19___ (Mo / Day / Year)

Depth of Compliance for Drilling Operation _____ Ft. from Surface

25. Contingency Plan Location of Plan (See Instruction 15) Has been prepared Yes ☒ No ☐

26. Location of data used to prepare this certificate (See Instruction 15)

CERTIFICATE

I declare under penalties prescribed in Section 91.143, Natural Resources Code, that I am authorized to make this report, that this report was prepared by me or under my supervision, and that I am qualified to make this certification by virtue of my training and experience, and by my analysis of the operation being certified, or by the analysis of qualified person working under my supervision, and that the data and facts stated therein are true, correct, and complete, to the best of my knowledge.

William Chad Sprouse	Supervisor	(432) 238 0709	16 May 2012
Representative of Company	Title	Phone No.	Date

RAILROAD COMMISSION USE ONLY

This operation and the equipment used therein is approved on the basis of the above certification and is subject to further Commission audit for compliance with the required provisions of Statewide Rule 36. This approval may be cancelled if investigation determines that the operation does not comply with the provisions of Statewide Rule 36.

APPROVED BY: _____ DATE: _____

REMARKS:

CERTIFICATION NUMBER: _____

Affected Notification List

(within a 65' radius of exposure @100ppm)

The geologic zones that will be encountered during drilling are known to contain hazardous quantities of H_2S. The accompanying map illustrates the affected areas of the community. The residents within this radius will be notified via a hand delivered written notice describing the activities, potential hazards, conditions of evacuation, evacuation drill siren alarms and other precautionary measures.

Evacuee Description:
Residents: **THERE ARE NO RESIDENTS WITHIN 3000' ROE.**

Notification Process:

A continuous siren audible to all residence will be activated, signaling evacuation of previously notified and informed residents.

Evacuation Plan:
All evacuees will migrate lateral to the wind direction.

The Oil Company will identify all home bound or highly susceptible individuals and make special evacuation preparations, interfacing with the local and emergency medical service as necessary.

GENERAL INFORMATION

Toxic Effects of H_2S Poisoning

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 PPM, which is .001% by volume. Hydrogen Sulfide is heavier than air (specific gravity – 1.192) and is colorless and transparent. Hydrogen Sulfide is almost as toxic as Hydrogen Cyanide and is 5-6 times more toxic than Carbon Monoxide. Occupational exposure limits for Hydrogen Sulfide and other gases are compared below in Table 1. Toxicity table for H_2S and physical effects are shown in Table 2.

Table 1
Permissible Exposure Limits of Various Gases

Common Name	Symbol	Sp. Gravity	TLV	STEL	IDLH
Hydrogen Cyanide	HCN	.94	4.7 ppm	C	
Hydrogen Sulfide	H_2S	1.192	10 ppm	15 ppm	100 ppm
Sulfide Dioxide	SO_2	2.21	2 ppm	5 ppm	
Chlorine	CL	2.45	.5 ppm	1 ppm	
Carbon Monoxide	CO	.97	25 ppm	200 ppm	
Carbon Dioxide	CO_2	1.52	5000 ppm	30,000 ppm	
Methane	CH_4	.55	4.7% LEL	14% UEL	

Definitions

A. TLV – Threshold Limit Value is the concentration employees may be exposed based on a TWA (time weighted average) for eight (8) hours in one day for 40 hours in one (1) week. This is set by ACGIH (American Conference of Governmental Hygienists) and regulated by OSHA.

B. STEL – Short Term Exposure Limit is the 15 minute average concentration an employee may be exposed to providing that the highest exposure never exceeds the OEL (Occupational Exposure Limit). The OEL for H_2S is 19 PPM.

C. IDLH – Immediately Dangerous to Life and Health is the concentration that has been determined by the ACGIH to cause serious health problems or death if exposed to this level. The IDLH for H_2S is 100 PPM.

D. TWA – Time Weighted Average is the average concentration of any chemical or gas for an eight (8) hour period. This is the concentration that any employee may be exposed based on an TWA.

TABLE 2

Toxicity Table of H_2S

Percent %	PPM	Physical Effects
.0001	1	Can smell less than 1 ppm.
.001	10	TLV for 8 hours of exposure.
.0015	15	STEL for 15 minutes of exposure.
.01	100	Immediately Dangerous to Life & Health. Kills sense of smell in 3 to 5 minutes.
.02	200	Kills sense of smell quickly, may burn eyes and throat.
.05	500	Dizziness, cessation of breathing begins **in a few minutes.**
.07	700	Unconscious quickly, death will result if not rescued promptly.
.10	1000	Death will result unless rescued promptly. Artificial resuscitation may be necessary.

PHYSICAL PROPERTIES OF H_2S

The properties of all gases are usually described in the context of seven major categories:

COLOR
ODOR
VAPOR DENSITY
EXPLOSIVE LIMITS
FLAMMABILITY
SOLUBILITY (IN WATER)
BOILING POINT

Hydrogen Sulfide is no exception. Information from these categories should be considered in order to provide a fairly complete picture of the properties of the gas.

COLOR – TRANSPARENT

Hydrogen Sulfide is colorless so it is invisible. This fact simply means that you can't rely on your eyes to detect its presence. In fact that makes this gas extremely dangerous to be around.

ODOR – ROTTEN EGGS

Hydrogen Sulfide has a distinctive offensive smell, similar to "rotten eggs". For this reason it earned its common name "sour gas". However, H_2S, even in low concentrations, is so toxic that it attacks and quickly impairs a victim's sense of smell, so it could be fatal to rely on your nose as a detection device.

VAPOR DENSITY – SPECIFIC GRAVITY OF 1.192

Hydrogen Sulfide is heavier than air so it tends to settle in low-lying areas like pits, cellars or tanks. If you find yourself in a location where H_2S is known to exist, protect yourself. Whenever possible, work in an area upwind and keep to higher ground.

EXPLOSIVE LIMITS – 4.3% TO 46%

Mixed with the right proportion of air or oxygen, H_2S will ignite and burn or explode, producing another alarming element of danger besides poisoning.

FLAMMABILITY

Hydrogen Sulfide will burn readily with a distinctive clear blue flame, producing Sulfur Dioxide (SO_2), another hazardous gas that irritates the eyes and lungs.

SOLUBILITY – 4 TO 1 RATIO WITH WATER

Hydrogen Sulfide can be dissolved in liquids, which means that it can be present in any container or vessel used to carry or hold well fluids including oil, water, emulsion and sludge. The solubility of H_2S is dependent on temperature and pressure, but if conditions are right, simply agitating a fluid containing H_2S may release the gas into the air.

BOILING POINT – (-76 degrees Fahrenheit)

Liquefied Hydrogen Sulfide boils at a very low temperature, so it is usually found as a gas.

RESPIRATOR USE

The Occupational Safety and Health Administration (OSHA) regulate the use of respiratory protection to protect the health of employees. OSHA's requirements are written in the Code of Federal Regulations, Title 29, Part 1910, Section 134, Respiratory Protection. This regulation requires that all employees who might be required to wear respirators, shall complete a OSHA mandated medical evaluation questionnaire. The employee then should be fit tested prior to wearing any respirator while being exposed to hazardous gases.

Written procedures shall be prepared covering safe use of respirators in dangerous atmospheric situations, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available respirators.

Respirators shall be inspected prior to and after each use to make sure that the respirator has been properly cleaned, disinfected and that the respirator works properly. The unit should be fully charged prior to being used.

Anyone who may use respirators shall be properly trained in how to properly seal the face piece. They shall wear respirators in normal air and then in a test atmosphere. (Note: Such items as facial hair (beard or sideburns) and eyeglass temple pieces will not allow a proper seal.) Anyone that may be expected to wear respirators should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses. Contact lenses should not be allowed.

Respirators shall be worn during the following conditions:

A. Any employee who works near the top or on the top of any tank unless tests reveal less than 20 ppm of H_2S.

B. When breaking out any line where H_2S can reasonably be expected.

C. When sampling air in areas where H_2S may be present.

D. When working in areas where the concentration of H_2S exceeds the Threshold Limit Value for H_2S (10 ppm).

E. At any time where there is a doubt as to the H_2S level in the area to be entered.

EMERGENCY RESCUE PROCEDURES

DO NOT PANIC!!!

Remain Calm – Think

1. Before attempting any rescue you must first get out of the hazardous area yourself. Go to a safe briefing area.

2. Sound alarm and activate the 911 system.

3. Put on breathing apparatus. At least two persons should do this, when available use the buddy system.

4. Rescue the victim and return them to a safe briefing area.

5. Perform an initial assessment and begin proper First Aid/CPR procedures.

6. Keep victim lying down with a blanket or coat, etc.., under the shoulders to keep airway open. Conserve body heat and do not leave unattended.

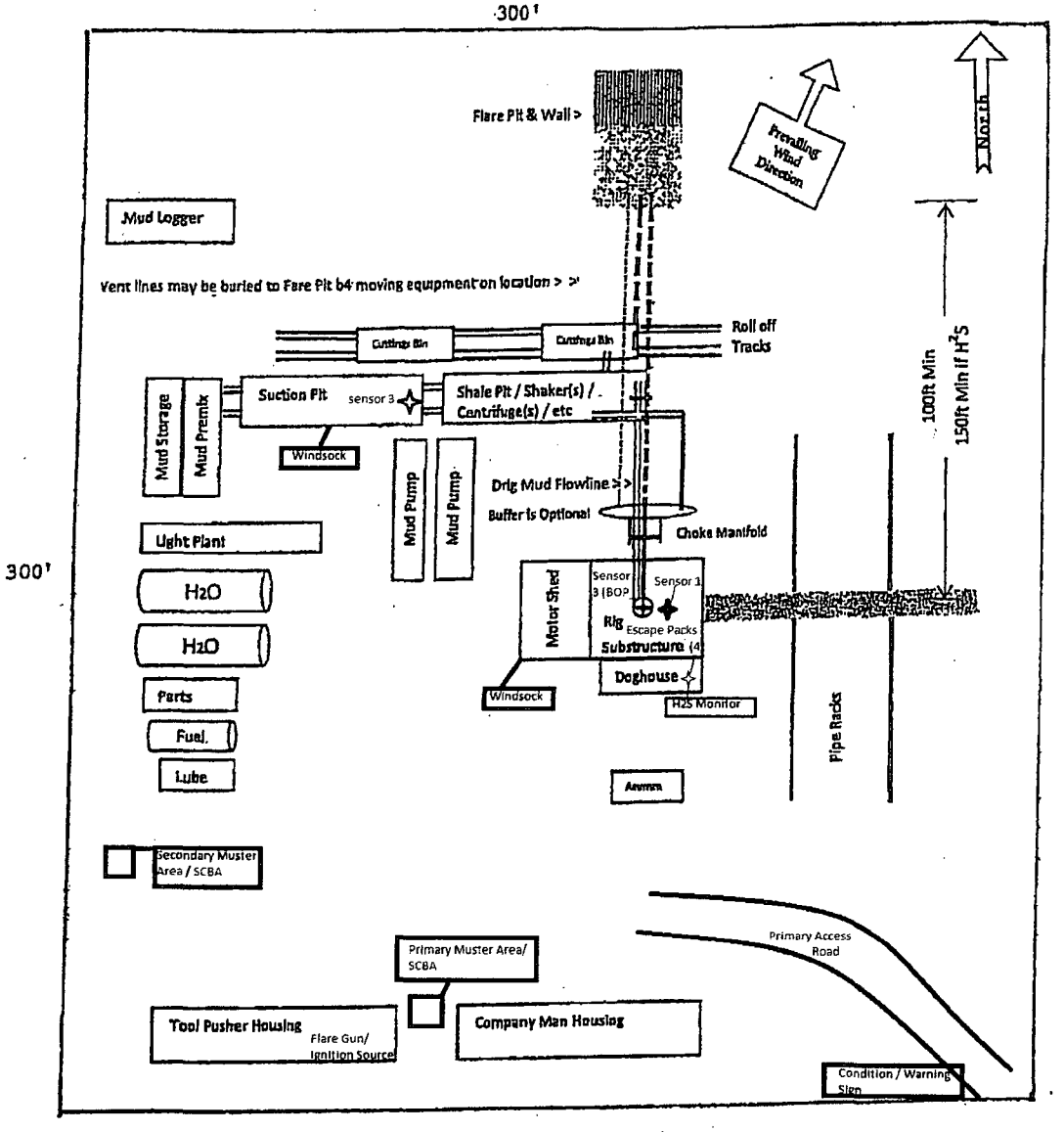
7. If the eyes are affected by H_2S, wash them thoroughly with potable water. For slight irritation, cold compresses are helpful.

8. In case a person has only minor exposure and does not lose consciousness totally, it's best if he doesn't return to work until the following day.

9. Any personnel overcome by H_2S should always be examined by medical personnel. They should always be transported to a hospital or doctor.

ENDEAVOR ENERGY RESOURCES, L.P.
PAN AM FEDERAL "25" SWD #1
1980' FSL, 660' FSL, UNIT "L" SECTION 25, T25S-R33E,
LEA COUNTY, NEW MEXICO

EXHIBIT "A"



Preplanning reasonable spacing accommodations for a useable "Closed Loop" drillsite layout is challenging. Particular site specific conflicts need to be resolved. This generic APD plat was prepared to demonstrate several necessary elements. The plat should include: a north arrow, prevailing wind direction, spacing access for truck removal of cutting bins, flare pit location, and piping provision to vent all combustible gas to the flare pit. Include the choke manifold and mud-gas separator location and their connection routing.

Generic Drill Site Layout

ENDEAVOR ENERGY RESOURCES, L.P.

PAN AM FEDERAL "25" SWD #1

Exhibit "G"