

HOBBS/OCD

AUG 13 2013

30-025-41329

RECEIVED

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey  
Division Director  
Oil Conservation Division



August 12, 2013

Endurance Resources, LLC  
203 West Wall, Suite 1000  
Midland, TX 79701

Dear Operator:

Rule 19.15.5.9 NMAC provides that the listing of a well on the Oil Conservation Division's (OCD's) inactive well list as a well inactive for more than one year plus 90 days creates a rebuttable presumption that the well is out of compliance with 19.15.25.8 NMAC (the inactive well rule).

An operator may rebut that presumption by providing evidence that the well is in compliance with 19.15.25.8 NMAC.

Endurance Resources, LLC (Endurance) currently has multiple wells appearing on the OCD's inactive well list as wells inactive for more than one year plus 90 days. However, Endurance recently has working with the BLM and the OCD to bring these wells back into compliance.

OCD is in the process of entering into an Agreed Compliance Order (ACOI) with Endurance and will be coding the extension expiration dates for these wells into the system so that the wells will not appear on the inactive well list for purposes of Rule 19.15.5.9 NMAC.

Endurance has rebutted the presumption created by Rule 19.15.5.9 as to some of the wells on the current list. Attached to this letter is a current inactive well list for Endurance, copies of sundries already submitted to the BLM requesting approval for five (5) of those wells to be brought back onto production, an e-mail response from Jim Amos of the BLM indicating approval to plug two other wells on the IWL and the processing of a third well to be put back on production, and a list of the nine wells that Endurance has submitted Sundry Notices. If all the sundries are approved, Endurance's IWL will be reduced to ten (10) wells.

Although these wells still appear on the inactive well list, the OCD should not consider them as out of compliance with 19.15.25.8 NMAC or include them in calculating Endurances' compliance with Rule 19.15.5.9 until the approved ACOI has been entered into and expires.

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Respectfully yours,

A handwritten signature in black ink, appearing to read "Daniel Sanchez", with a large, sweeping flourish extending to the right.

Daniel Sanchez  
OCD Compliance and Enforcement Manager

Ec: E.L. Gonzales, OCD District 1 Supervisor  
Randy Dade, OCD District 2 Supervisor  
Charlie Perrin, OCD District 3 Supervisor  
Ed Martin, OCD District 4 Supervisor  
Donna Mull, Line Manager, OCD District 1  
Gabriel Wade, OCD Assistant General Counsel-Santa Fe  
Theresa Duran-Saenz, OCD Legal Assistant-Santa Fe

## Inactive Well List

**Total Well Count: 196 Inactive Well Count: 19**

**Printed On: Monday, August 12 2013**

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-24864	AMOCO FEDERAL #001	E-21-19S-31E	E	270329	ENDURANCE RESOURCES LLC	F	O	10/2011			
2	30-015-24985	AMOCO FEDERAL #002	F-21-19S-31E	F	270329	ENDURANCE RESOURCES LLC	F	O	10/2011			
2	30-015-25080	AMOCO FEDERAL #004	B-21-19S-31E	B	270329	ENDURANCE RESOURCES LLC	F	O	10/2011			
2	30-015-25079	AMOCO FEDERAL #005	C-21-19S-31E	C	270329	ENDURANCE RESOURCES LLC	F	O	10/2011			
2	30-015-25081	AMOCO FEDERAL #006	D-21-19S-31E		270329	ENDURANCE RESOURCES LLC	F	O	10/2011	YATES		
2	30-015-24974	BASEBALL PARK #001	I-24-22S-26E	I	270329	ENDURANCE RESOURCES LLC	P	O	05/2011			
2	30-015-25217	BASEBALL PARK #002	P-24-22S-26E	P	270329	ENDURANCE RESOURCES LLC	P	O	05/2011			
2	30-015-25584	BASEBALL PARK #004	H-24-22S-26E	H	270329	ENDURANCE RESOURCES LLC	P	O	10/2009			
2	30-015-20608	FEDERAL N #001	N-26-18S-30E	N	270329	ENDURANCE RESOURCES LLC	F	O	04/2012			
2	30-015-20689	FEDERAL N #002	P-27-18S-30E	P	270329	ENDURANCE RESOURCES LLC	F	O	04/2012			
2	30-015-26598	GATES FEDERAL #006	P-34-18S-30E	P	270329	ENDURANCE RESOURCES LLC	F	O	07/2011	Y-7R-QN-GRYBG RET TO PROD 7-26-13		
2	30-015-25643	GREEN FEDERAL #001	F-19-17S-29E	F	270329	ENDURANCE RESOURCES LLC	F	O	01/2011	INTT O P&FA APVD 7-1-13 / BLM		
2	30-015-24863	HILL FEDERAL #001	H-21-19S-31E	H	270329	ENDURANCE RESOURCES LLC	F	O	04/2012			
2	30-015-25082	HILL FEDERAL #002	A-21-19S-31E	A	270329	ENDURANCE RESOURCES LLC	F	O	04/2012			
1	30-025-08358	MARSHALL #001	4-19-23S-33E	M	270329	ENDURANCE RESOURCES LLC	F	O	09/2011	INT TO P&A APVD 7-1-13 / BLM		
1	30-025-25201	MARSHALL #007	C-19-23S-33E	C	270329	ENDURANCE RESOURCES LLC	F	O	09/2011	INT TO P&A APVD 7-1-13 / BLM		
2	30-015-21036	MERLAND #001	J-24-22S-26E	J	270329	ENDURANCE RESOURCES LLC	P	O	03/2010			
2	30-015-25219	PARLSEY FEDERAL #001	A-20-19S-31E	A	270329	ENDURANCE RESOURCES LLC	F	O	01/2012			
1	30-025-27051	STRATOCASTER 20 FEDERAL #004H	I-20-23S-34E	I	270329	ENDURANCE RESOURCES LLC	F	G	08/2006	BONE SPRING INT PLGBK 07/25/13	T	11/1/2008

WHERE Ogrid:270329, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACO1, Excludes Wells in Approved TA Period