

Form 3160-3
(March 2012)HOBBS OCD
OCD Hobbs

MAR 12 2014

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

1a. Type of work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NMNM 756251
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Endurance Resources LLC <270329>		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 1466	3b. Phone No. (include area code) 575.308.0722	8. Lease Name and Well No. Explorer 12 Federal #1H <40457>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NW/NW 330' FNL & 330' FWL Lot D At proposed prod. zone NE/NE 330' FNL & 330' FEL Lot A		9. API Well No. 30-025-41721
14. Distance in miles and direction from nearest town or post office* Approximately 22 miles southeast of Maljamar, NM		10. Field and Pool, or Exploratory Tonto West; Bone Spring (59477)
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) SHL 330'	16. No. of acres in lease 320	11. Sec., T. R. M. or Blk. and Survey or Area Sec 12-T19S-R32E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 660' from proposed Explorer 12-2H	19. Proposed Depth 9,750' TVD; 14,125' MD	12. County or Parish Lea
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3,669' GL	22. Approximate date work will start* 08/01/2013	13. State NM
17. Spacing Unit dedicated to this well 160 acres		
20. BLM/BIA Bond No. on file NMB000640		
23. Estimated duration 45 days		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) Kale Jackson	Date 05/21/2013
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Title

Sr. Completions Engineer

Approved by (Signature) /s/ James Stovall	Name (Printed/Typed) CARLSBAD FIELD OFFICE	Date OCT 22 2013
Title FIELD MANAGER		

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

Kx
03/12/14SEE ATTACHED FOR
CONDITIONS OF APPROVALApproval Subject to General Requirements
& Special Stipulations Attached

MAR 17 2014

ONG/ADAMS TEST 03/17/14

jm



HOBBS OCD

MAR 12 2014

RECEIVED

Endurance Resources LLC

DRILLING & OPERATIONS PROGRAM

Explorer 12 Federal #1H

SHL: 330' FNL & 330' FWL (Unit D)

BHL: 330' FNL & 330' FEL (Unit A)

Sec 12-19S-32E

Lea Co, NM

1. Geological Name of Surface Formation

Quaternary

2. Estimated Tops of Important Geological Markers

Fresh Water	345'
Rustler	1,390'
Top of Salt	1,590'
Base of Salt	3,010'
Yates	3,210'
Seven Rivers	3,470'
Queen	4,110'
Grayburg	4,500'
San Andres	4,830'
Delaware	5,942'
Bone Spring	7,510'
1 st Bone Spring	8,700'
2 nd Bone Spring	9,620'
Target Objective	TVD: 9,750' ; MD: 14,125'



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3. Estimated Depths of Anticipated Fresh Water, Oil or Gas

The estimated depths at which water, oil and gas will be encountered are as follows:

Water: Well data from New Mexico Office of State Engineer's Water Rights Reporting System shows 4 water wells in 19S-32E. (2) in Sec 34, (1) in Sec 19, & (1) in Sec 20. Average water depth of 223ft. Min depth of 102ft. Max depth of 345ft.

Oil & Gas: 3,210' – 9,750' (Yates through Bone Spring). Potential for oil & gas could occur through these intervals.

No other formations are expected to give up oil, gas, or fresh water in measurable quantities.

See COA 4. Proposed Casing Program:

Hole Size	Depths	Section	OD Casing	Wt	Collar	Grade	Collapse DF	Burst DF	Tension DF
17-1/2"	0' - 1,550'	Surface	13-3/8"	54.5	STC	J-55	1.125	1.125	1.6
12-1/4"	0' - 2,500'	Intermediate	9-5/8"	36	LTC	J-55	1.125	1.125	1.6
	2,500' - 5,100'			40	LTC	N-80	1.125	1.125	1.6
8-3/4"	0' - 8,975'	Production	5-1/2"	17	LTC	P-110	1.125	1.125	1.6
	8,975' - 14,125	Curve & Lateral		17	BTC	P-110	1.125	1.125	1.6

NOTE: ALL CASING IS NEW & API APPROVED. WHILE RUNNING CASING, PIPE WILL BE KEPT A MINIMUM OF 1/3 FULL AT ALL TIMES TO AVOID APPROACHING COLLAPSE PRESSURE OF THE CASING.

BASED ON LOG & MAP DATA, THE CAPITAN REEF DOES NOT APPEAR IN THIS SECTION.

5. Proposed Cement Program:

a. 13-3/8" Surface

Lead: 1080skts Class C +4% Bentonite + 2% CaCl (13.5ppg / 1.75 cuft/sk)

Tail: 200skts Class C Neat (14.80ppg / 1.33 cuft/sk)

**Calculated w/ 100% excess on OH volumes



b. 9-5/8" Intermediate

Lead: 1000sks 35/65 P/C (Class C) +5% Salt + 6% Bentonite + 7.125 #/sk lost circulation additive (12.9ppg/ 1.91cuft/sk)

Tail: 200sks Class C +0.3% retarder (14.80ppg/ 1.33cuft/sk)**Calculated w/ 35% excess on OH volumes

c. 5-1/2" Production

Lead: 1360sks 35/65 P/H (Class H) +5% salt + 6% Bentonite Extender + 3#/sk LCA (12.6 ppg/ 2.06 cuft/sk)

See
COA

Tail: 870sks PVL (Class H) +30% CaCo +0.20#/sk defoamer (13.0ppg/ 1.87cuft/sk)

**Calculated w/ 25% excess on OH volumes

NOTE: THE ABOVE CEMENT VOLUMES COULD BE REVISED PENDING FLUID CALIPER & CALIPER LOG DATA. ALL VOLUMES ARE DESIGNED TO CIRCULATE TO SURFACE.

6. Minimum Specifications for Pressure Control:

13-5/8 (5M) working pressure BOP system consisting of one set of blind rams and one set of pipe rams and a 5000# annular type preventer (please see BOP schematic). A 5M choke manifold & 120 gallon accumulator with floor and remote operating stations & auxiliary power system. Rotating head as needed. A Kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

BOP unit will be hydraulically operated. BOP will be NU and operated at least once a day while drilling and the blind rams will be operated when out of the hole during trips. From the base of the 13-3/8" csg through running of production casing, the well will be equipped with a 5M BOP system. Below the 9-5/8 csg shoe, this 5M system will be equipped with a HCR valve, remote kill line, & annular to match. The remote kill line will be installed prior to testing the system & tested to stack pressure.

Before drilling out of the 13-3/8 surface casing, BOP will be tested by an independent surface company to 250 psi low & 3000 psi high. Hydril will be tested



to 250 psi low and 1500 psi high. Before drilling out the 9-5/8 intermediate shoe BOP will be tested by an independent service company to 250psi low and 5000 psi high. Hydril will be tested to 250 psi low and 2500 psi high. These low pressure tests from 250 to 300 psi will be held a minimum of 10 minutes if test is done with a test plug & 30 minutes without a test plug.

7. Estimated BHP & Temperature:

BHP: 4259 psi @ 9,750' TVD. BHT: 120°F @ 9,750' TVD

8. Mud Program: The applicable depths & properties of this system are as follows:

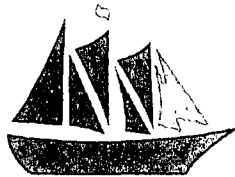
See COA

Depth	Type of System	Mud Weight	Viscosity (sec)	Waterloss (cc)
0' - 1,475'	Fresh Water	8.4 – 9.0	30-34	NC
1,550' - 5,100'	Brine	9.8 - 10.0	28-32	NC
5,100' - 14,125'	Fresh Water	8.6 - 9.2	28-32	NC-12

NOTE: NECESSARY MUD PRODUCTS FOR WEIGHT ADDITION & FLUID LOSS WILL BE ON LOCATION AT ALL TIMES. VISUAL MUD MONITORING EQUIPMENT (I.E. TRIP TANK) WILL BE IN PLACE TO DETECT VOLUME CHANGES INDICATING LOSS OR GAIN OF CIRCULATION VOLUME WITH ALARMS.

9. Auxiliary Well Control & Monitoring Equipment:

- See COA
- A Kelly cock will be in the drill string at all times.
 - A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times
 - H2S detection equipment will be in operation & breathing apparatuses will be on location after the drill out of the 13-3/8" casing shoe until the 5-1/2" casing is cemented.



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10. Testing, Logging & Coring Program:

- a. No drill stem tests are planned.
- b. GR/N well log ran from KOP to surface.
- c. Triple combo logs from KOP to intermediate casing shoe.
- d. No coring is planned.

11. Potential Hazards:

See
COA
No abnormal pressures or temperatures are expected. Small amounts of H₂S have been reported while drilling through the "Artesia Group" 3,210' – 4,500'. If H₂S is encountered, the operator will comply with the provisions of Onshore Oil & Gas Order #6. No lost circulation is expected to occur (outside Capitan Reef area). Personnel will be familiar with all aspects of safe operation of equipment being used to drill this well.

12. Anticipated starting date & Duration of Operations:

Road & location construction will begin after the BLM has approved the APD. Anticipated spud date will begin after BLM approval & after a drilling rig is secured. Move in operations & drilling is expected to take no more than 45 days. An additional 30-50 days will be needed to complete this well & construct surface facilities and/or lay flow lines in order to place well on production. A battery will be built to handle this well, as well as 3 other potential new drills in this section.

Endurance Resources LLC

HALLIBURTON
Sperry Drilling Services

Project: Lea County, NM (NAD 83)
Site: Explorer 12 Federal
Well: Explorer 12 Federal #1H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: Original Well Elev

SECTION DETAILS

MD	Inc	Azi	TVD	+N/S	+E/W	DLeg	TFace	VSec	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9177.04	0.00	0.00	9177.04	0.00	0.00	0.00	0.00	0.00	Start BuCd
10077.04	90.00	89.85	9750.00	148	572.98	10.00	89.85	572.98	End BuCd
14125.31	90.00	89.85	9750.00	1198	-921.21	0.00	0.00	4821.23	TD

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

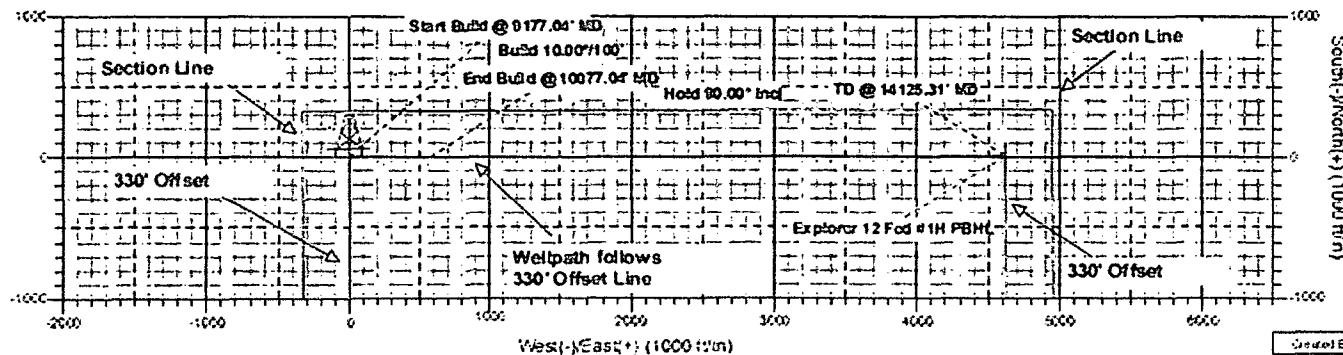
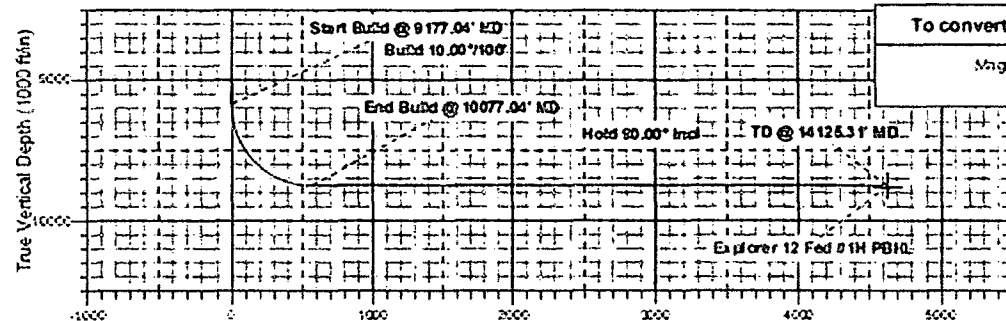
Name	TVD	+N/S	+E/W	Northing	Easting
Explorer 12 Fed #1H PBHL	9750.00	11.98	4821.21	812101.13	732428.11

Surface Location:

US State Plane 1983
New Mexico Eastern Zone
Elevation: GE 3069.4 + KB 7 @ 2694.40ft (Original Well Ben)
Northing: 812089.17 Easting: 727804.90
Latitude: 32° 40' 52.369N Longitude: 103° 43' 38.221W

To convert a Magnetic Direction to a Grid Direction, Add 7.24°

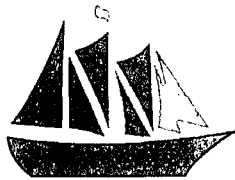
Magnetic Model: BGM2012 Date: 17-May-13
Azimuth to Grid North



Created By: Mike Murray

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Endurance Resources LLC

Lea County, NM (NAD 83)

Explorer 12 Federal

Explorer 12 Federal #1H

Wellbore #1

Plan: Plan #1

Sperry Drilling Services Standard Report

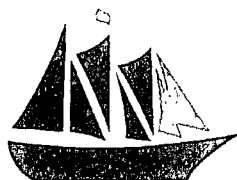
20 May, 2013

Well Coordinates: 512,089.17 N, 727,604.90 E (32° 40' 52.37" N, 103° 43' 38.22" W)
Ground Level: 3,659.40 ft

Local Coordinate Origin:	Centered on Well: Explorer 12 Federal #1H
Vertical Datum:	GE 3659.4 - KB ? @ 3694.40ft (Original Well Elev)
TVDs to System:	N
North Reference:	Gnd
Unit System:	API - US Survey Feet

Version: 2003.16 Build: 431

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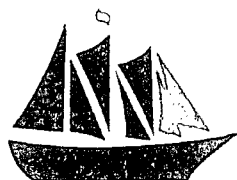
HALLIBURTON

Endurance Resources LLC

Lea County, NM (NAD 83)

Plan Report for Explorer 12 Federal #1H - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	-N/-S (ft)	-E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00
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600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00
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3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00
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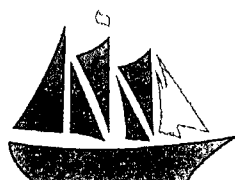
HALLIBURTON

Endurance Resources LLC

Lea County, NM (NAD 83)

Plan Report for Explorer 12 Federal #1H - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	-N/-S (ft)	-E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
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8,300.00	0.00	0.00	8,300.00	0.00	0.00	0.00	0.00
8,400.00	0.00	0.00	8,400.00	0.00	0.00	0.00	0.00
8,500.00	0.00	0.00	8,500.00	0.00	0.00	0.00	0.00
8,600.00	0.00	0.00	8,600.00	0.00	0.00	0.00	0.00
8,700.00	0.00	0.00	8,700.00	0.00	0.00	0.00	0.00
8,800.00	0.00	0.00	8,800.00	0.00	0.00	0.00	0.00
8,900.00	0.00	0.00	8,900.00	0.00	0.00	0.00	0.00
9,000.00	0.00	0.00	9,000.00	0.00	0.00	0.00	0.00
9,100.00	0.00	0.00	9,100.00	0.00	0.00	0.00	0.00
9,177.04	0.00	0.00	9,177.04	0.00	0.00	0.00	0.00
Start Build @ 9177.04' MD - Build 10.00°/100'							
9,200.00	2.30	89.85	9,199.99	0.00	0.46	0.46	10.00
9,250.00	7.30	89.85	9,249.80	0.01	4.64	4.64	10.00
9,300.00	12.30	89.85	9,299.06	0.03	13.14	13.14	10.00
9,350.00	17.30	89.85	9,347.39	0.07	25.91	25.91	10.00
9,400.00	22.30	89.85	9,394.42	0.11	42.84	42.84	10.00
9,450.00	27.30	89.85	9,439.79	0.17	63.86	63.86	10.00
9,500.00	32.30	89.85	9,483.17	0.23	89.64	89.64	10.00



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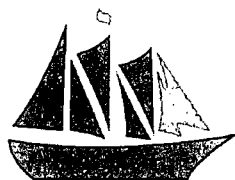
HALLIBURTON

Endurance Resources LLC

Lea County, NM (NAD 83)

Plan Report for Explorer 12 Federal #1H - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	-E/+W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
9,550.00	37.30	83.85	9,524.21	0.30	117.16	117.16	10.00
9,600.00	42.30	83.85	9,562.62	0.39	149.15	149.15	10.00
9,650.00	47.30	83.85	9,598.09	0.48	184.37	184.37	10.00
9,700.00	52.30	83.85	9,630.35	0.58	222.55	222.55	10.00
9,750.00	57.30	83.85	9,659.17	0.68	263.39	263.39	10.00
9,800.00	62.30	83.85	9,684.31	0.79	305.59	305.59	10.00
9,850.00	67.30	83.85	9,705.60	0.91	351.81	351.81	10.00
9,900.00	72.30	83.85	9,722.86	1.03	398.72	398.72	10.00
9,950.00	77.30	83.85	9,735.97	1.16	445.95	445.95	10.00
10,000.00	82.30	83.85	9,744.83	1.28	496.15	496.15	10.00
10,050.00	87.30	83.85	9,749.36	1.41	545.93	545.93	10.00
10,077.04	90.00	83.85	9,750.00	1.48	572.96	572.96	10.00
End Build @ 10077.04' MD - Hold 90.00° Incl							
10,100.00	90.00	83.85	9,750.00	1.54	595.92	595.92	0.00
10,200.00	90.00	83.85	9,750.00	1.80	695.92	695.92	0.00
10,300.00	90.00	83.85	9,750.00	2.06	795.92	795.92	0.00
10,400.00	90.00	83.85	9,750.00	2.32	895.91	895.92	0.00
10,500.00	90.00	83.85	9,750.00	2.58	995.91	995.92	0.00
10,600.00	90.00	83.85	9,750.00	2.84	1,095.91	1,095.92	0.00
10,700.00	90.00	83.85	9,750.00	3.10	1,195.91	1,195.92	0.00
10,800.00	90.00	83.85	9,750.00	3.35	1,295.91	1,295.92	0.00
10,900.00	90.00	83.85	9,750.00	3.61	1,395.91	1,395.92	0.00
11,000.00	90.00	83.85	9,750.00	3.87	1,495.91	1,495.92	0.00
11,100.00	90.00	83.85	9,750.00	4.13	1,595.91	1,595.92	0.00
11,200.00	90.00	83.85	9,750.00	4.39	1,695.91	1,695.92	0.00
11,300.00	90.00	83.85	9,750.00	4.65	1,795.91	1,795.92	0.00
11,400.00	90.00	83.85	9,750.00	4.91	1,895.91	1,895.92	0.00
11,500.00	90.00	83.85	9,750.00	5.17	1,995.91	1,995.92	0.00
11,600.00	90.00	83.85	9,750.00	5.42	2,095.91	2,095.92	0.00
11,700.00	90.00	83.85	9,750.00	5.68	2,195.91	2,195.92	0.00
11,800.00	90.00	83.85	9,750.00	5.94	2,295.91	2,295.92	0.00
11,900.00	90.00	83.85	9,750.00	6.20	2,395.91	2,395.92	0.00
12,000.00	90.00	83.85	9,750.00	6.46	2,495.91	2,495.92	0.00
12,100.00	90.00	83.85	9,750.00	6.72	2,595.91	2,595.92	0.00
12,200.00	90.00	83.85	9,750.00	6.98	2,695.91	2,695.92	0.00
12,300.00	90.00	83.85	9,750.00	7.24	2,795.91	2,795.92	0.00
12,400.00	90.00	83.85	9,750.00	7.49	2,895.91	2,895.92	0.00
12,500.00	90.00	83.85	9,750.00	7.75	2,995.91	2,995.92	0.00
12,600.00	90.00	83.85	9,750.00	8.01	3,095.91	3,095.92	0.00
12,700.00	90.00	83.85	9,750.00	8.27	3,195.91	3,195.92	0.00
12,800.00	90.00	83.85	9,750.00	8.53	3,295.91	3,295.92	0.00
12,900.00	90.00	83.85	9,750.00	8.79	3,395.91	3,395.92	0.00
13,000.00	90.00	83.85	9,750.00	9.05	3,495.91	3,495.92	0.00
13,100.00	90.00	83.85	9,750.00	9.31	3,595.91	3,595.92	0.00
13,200.00	90.00	83.85	9,750.00	9.57	3,695.91	3,695.92	0.00
13,300.00	90.00	83.85	9,750.00	9.82	3,795.91	3,795.92	0.00
13,400.00	90.00	83.85	9,750.00	10.08	3,895.90	3,895.92	0.00
13,500.00	90.00	83.85	9,750.00	10.34	3,995.90	3,995.92	0.00
13,600.00	90.00	83.85	9,750.00	10.60	4,095.90	4,095.92	0.00
13,700.00	90.00	83.85	9,750.00	10.85	4,195.90	4,195.92	0.00
13,800.00	90.00	83.85	9,750.00	11.12	4,295.90	4,295.92	0.00



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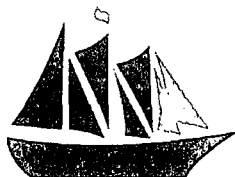
HALLIBURTON

Endurance Resources LLC

Lea County, NM (NAD 83)

Plan Report for Explorer 12 Federal #1H - Plan #1

Measured Depth (m)	Inclination (°)	Azimuth (°)	Vertical Depth (m)	-N/-S (m)	-E/-W (m)	Vertical Section (m)	Dogleg Rate (°/100m)
9,550.00	37.30	89.85	9,524.21	0.30	137.16	117.16	10.00
9,600.00	42.30	89.85	9,562.62	0.39	149.15	149.15	10.00
9,650.00	47.30	89.85	9,598.09	0.48	164.37	164.37	10.00
9,700.00	52.30	89.85	9,630.35	0.58	222.55	222.55	10.00
9,750.00	57.30	89.85	9,659.17	0.68	263.39	263.39	10.00
9,800.00	62.30	89.85	9,684.31	0.79	306.59	306.59	10.00
9,850.00	67.30	89.85	9,705.60	0.91	351.81	351.81	10.00
9,900.00	72.30	89.85	9,722.85	1.03	398.72	398.72	10.00
9,950.00	77.30	89.85	9,735.97	1.16	446.95	446.95	10.00
10,000.00	82.30	89.85	9,744.83	1.28	496.15	496.15	10.00
10,050.00	87.30	89.85	9,749.35	1.41	545.93	545.93	10.00
10,077.04	90.00	89.85	9,750.00	1.48	572.96	572.96	10.00
End Build @ 10077.04' MD - Hold 90.00° Incl							
10,100.00	90.00	89.85	9,750.00	1.54	595.92	595.92	0.00
10,200.00	90.00	89.85	9,750.00	1.60	655.92	655.92	0.00
10,300.00	90.00	89.85	9,750.00	2.06	755.92	755.92	0.00
10,400.00	90.00	89.85	9,750.00	2.32	895.91	895.92	0.00
10,500.00	90.00	89.85	9,750.00	2.58	955.91	955.92	0.00
10,600.00	90.00	89.85	9,750.00	2.84	1,095.91	1,095.92	0.00
10,700.00	90.00	89.85	9,750.00	3.10	1,195.91	1,195.92	0.00
10,800.00	90.00	89.85	9,750.00	3.35	1,295.91	1,295.92	0.00
10,900.00	90.00	89.85	9,750.00	3.61	1,395.91	1,395.92	0.00
11,000.00	90.00	89.85	9,750.00	3.87	1,495.91	1,495.92	0.00
11,100.00	90.00	89.85	9,750.00	4.13	1,595.91	1,595.92	0.00
11,200.00	90.00	89.85	9,750.00	4.39	1,695.91	1,695.92	0.00
11,300.00	90.00	89.85	9,750.00	4.65	1,795.91	1,795.92	0.00
11,400.00	90.00	89.85	9,750.00	4.91	1,895.91	1,895.92	0.00
11,500.00	90.00	89.85	9,750.00	5.17	1,995.91	1,995.92	0.00
11,600.00	90.00	89.85	9,750.00	5.42	2,095.91	2,095.92	0.00
11,700.00	90.00	89.85	9,750.00	5.68	2,195.91	2,195.92	0.00
11,800.00	90.00	89.85	9,750.00	5.94	2,295.91	2,295.92	0.00
11,900.00	90.00	89.85	9,750.00	6.20	2,395.91	2,395.92	0.00
12,000.00	90.00	89.85	9,750.00	6.46	2,495.91	2,495.92	0.00
12,100.00	90.00	89.85	9,750.00	6.72	2,595.91	2,595.92	0.00
12,200.00	90.00	89.85	9,750.00	6.98	2,695.91	2,695.92	0.00
12,300.00	90.00	89.85	9,750.00	7.24	2,795.91	2,795.92	0.00
12,400.00	90.00	89.85	9,750.00	7.49	2,895.91	2,895.92	0.00
12,500.00	90.00	89.85	9,750.00	7.75	2,995.91	2,995.92	0.00
12,600.00	90.00	89.85	9,750.00	8.01	3,095.91	3,095.92	0.00
12,700.00	90.00	89.85	9,750.00	8.27	3,195.91	3,195.92	0.00
12,800.00	90.00	89.85	9,750.00	8.53	3,295.91	3,295.92	0.00
12,900.00	90.00	89.85	9,750.00	8.79	3,395.91	3,395.92	0.00
13,000.00	90.00	89.85	9,750.00	9.05	3,495.91	3,495.92	0.00
13,100.00	90.00	89.85	9,750.00	9.31	3,595.91	3,595.92	0.00
13,200.00	90.00	89.85	9,750.00	9.57	3,695.91	3,695.92	0.00
13,300.00	90.00	89.85	9,750.00	9.82	3,795.91	3,795.92	0.00
13,400.00	90.00	89.85	9,750.00	10.08	3,895.90	3,895.92	0.00
13,500.00	90.00	89.85	9,750.00	10.34	3,995.90	3,995.92	0.00
13,600.00	90.00	89.85	9,750.00	10.60	4,095.90	4,095.92	0.00
13,700.00	90.00	89.85	9,750.00	10.86	4,195.90	4,195.92	0.00
13,800.00	90.00	89.85	9,750.00	11.12	4,295.90	4,295.92	0.00



ENDURANCE
RESOURCES, LLC

HALLIBURTON

Endurance Resources LLC
Lea County, NM (NAD 83)

Plan Report for Explorer 12 Federal #1H - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (%/100ft)
13,900.00	90.00	89.85	9,750.00	11.38	4,395.90	4,395.92	0.00
14,000.00	90.00	89.85	9,750.00	11.64	4,495.90	4,495.92	0.00
14,100.00	90.00	89.85	9,750.00	11.89	4,595.90	4,595.92	0.00
14,125.31	90.00	89.85	9,750.00	11.96	4,621.21	4,621.23	0.00
TD @ 14125.31' MD							

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N-S (ft)	+E-W (ft)	
9,177.04	9,177.04	0.00	0.00	Start Build @ 9177.04' MD
9,177.04	9,177.04	0.00	0.00	Build 10.00%/100'
10,077.04	9,750.00	1.48	572.55	End Build @ 10077.04' MD
10,077.04	9,750.00	1.48	572.55	Hold 90.00° Incl
14,125.31	9,750.00	11.96	4,621.21	TD @ 14125.31' MD

Vertical Section Information

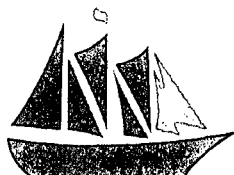
Angle Type	Target	Azimuth (°)	Origin Type	Origin		Start TVD (ft)
				+N-S (ft)	+E-W (ft)	
User	No Target (Freehand)	89.85	Spot	0.00	0.00	0.00

Survey tool program

From (ft)	To (ft)	Survey/Plan	Survey Tool
0.00	14,125.31	Plan #1	MWD

Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N-S (ft)	+E-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Explorer 12 Fed #1H	0.00	0.00	9,750.00	11.96	4,621.21	612,101.13	732,426.11	32° 40' 52.223" N	103° 42' 44.152" W
- hit/misss target									
- Shape									
- plan hits target center									
- Point									



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Lea County, NM (NAD 83)

HALLIBURTON

North Reference Sheet for Explorer 12 Federal - Explorer 12 Federal #1H - Wellbore #1

All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.

Vertical Depths are relative to GE 3669.4 + KB 7 @ 3694.40ft (Original Well Elev). Northing and Easting are relative to Explorer 12 Federal #1H

Coordinate System is US State Plane 1983, New Mexico Eastern Zone using datum North American Datum 1983, ellipsoid GRS 1980

Projection method is Transverse Mercator (Gauss-Kruger)

Central Meridian is 104° 20' 0.000 W", Longitude Origin: 0° 0' 0.000 E", Latitude Origin: 0° 0' 0.000 N"

False Easting: 541,337.50ft, False Northing: 0.00ft, Scale Reduction: 0.99954890

Grid Coordinates of Well: 512,089.17 ft N, 727,604.90 ft E

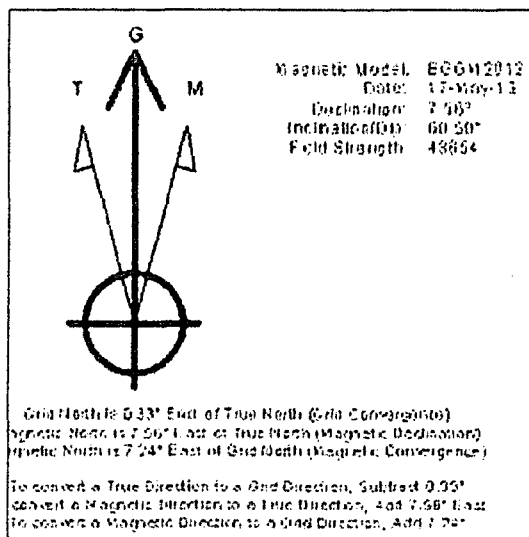
Geographical Coordinates of Well: 32° 40' 52.37" N, 103° 43' 36.22" W

Grid Convergence at Surface is: 0.33°

Based upon Minimum Curvature type calculations, at a Measured Depth of 14,125.31ft

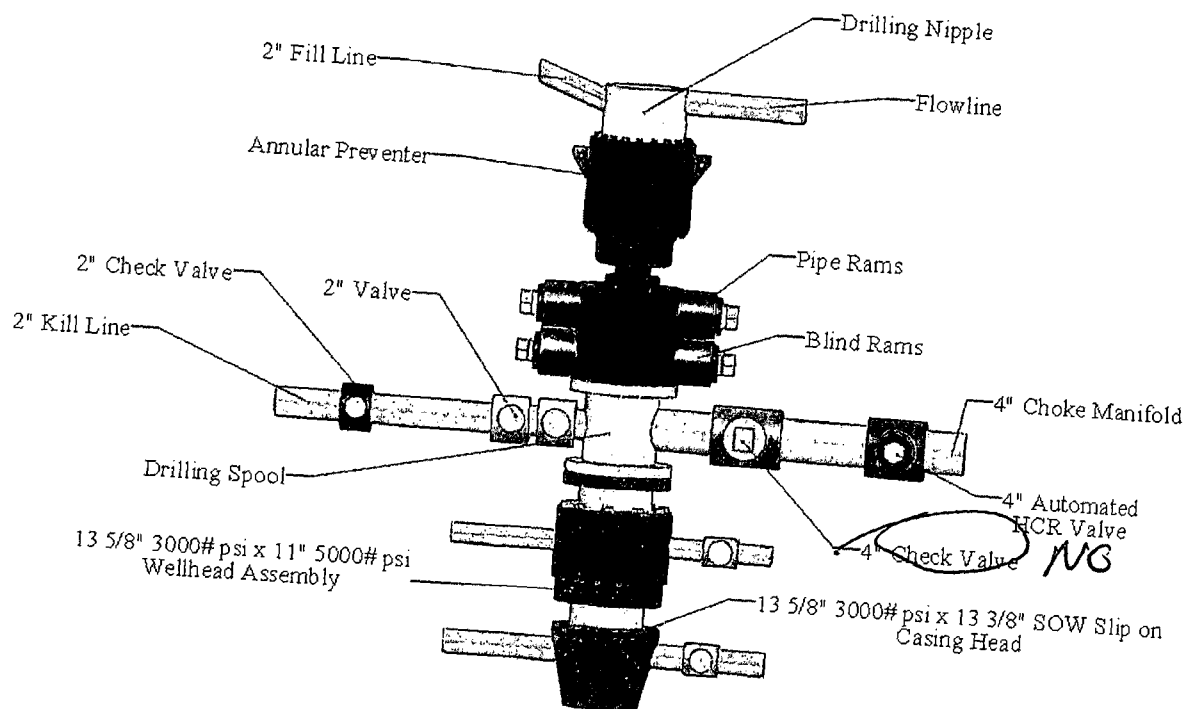
the Bottom Hole Displacement is 4,621.23ft in the Direction of 89.65° (Grid).

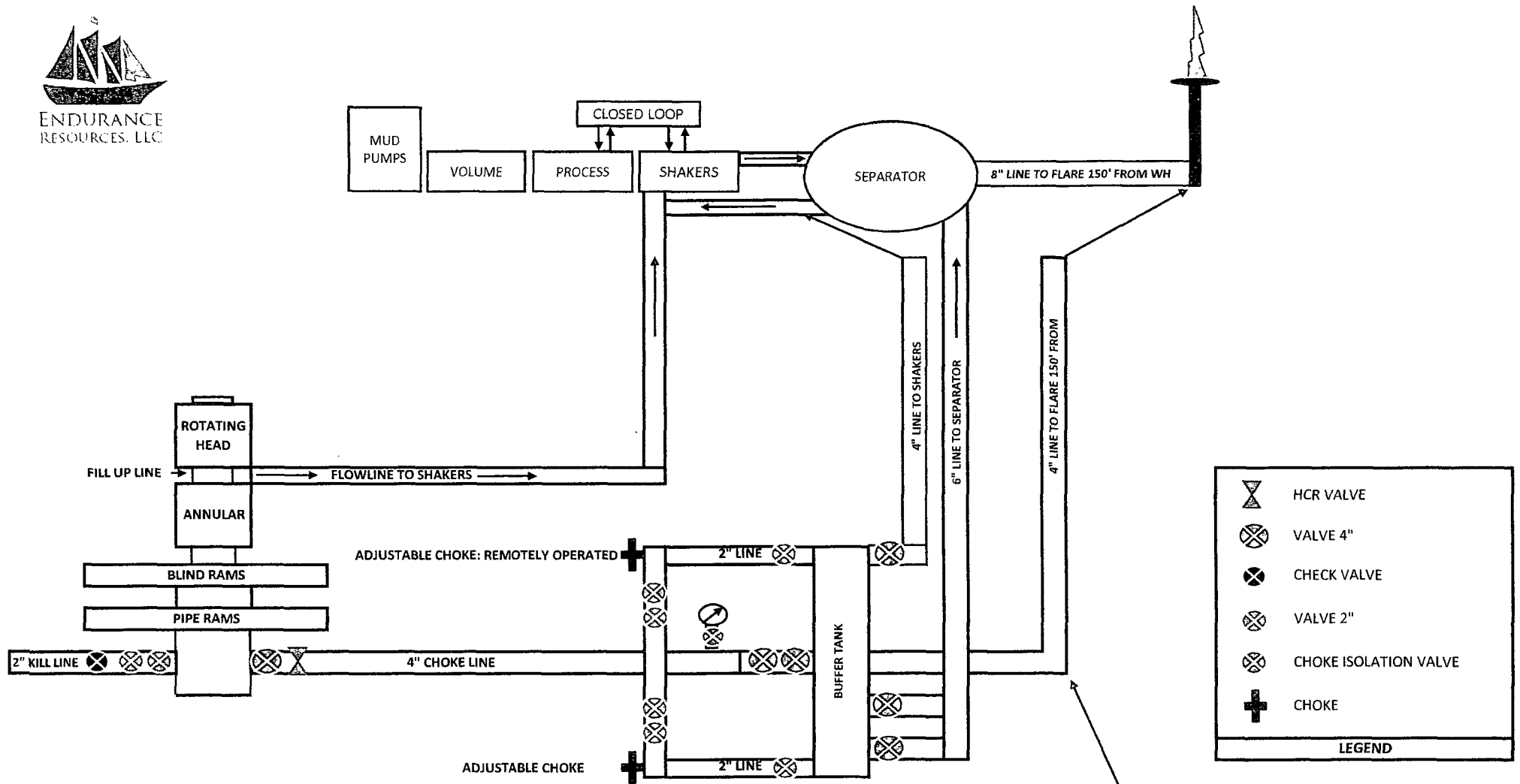
Magnetic Convergence at surface is: -7.24° (17 May 2013, , BGGM2012)



Explorer 12 Fed. #1H

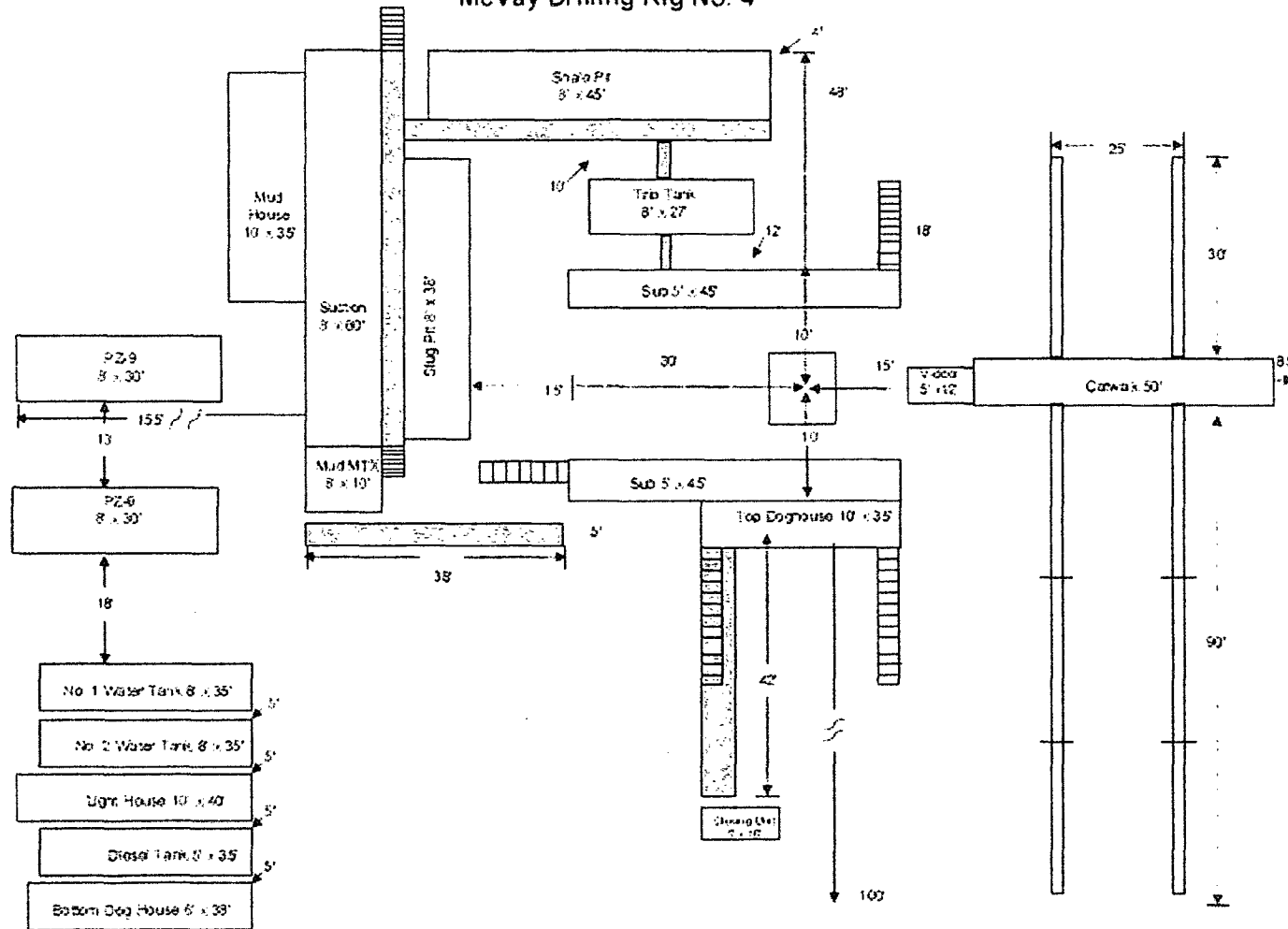
5000# BOP

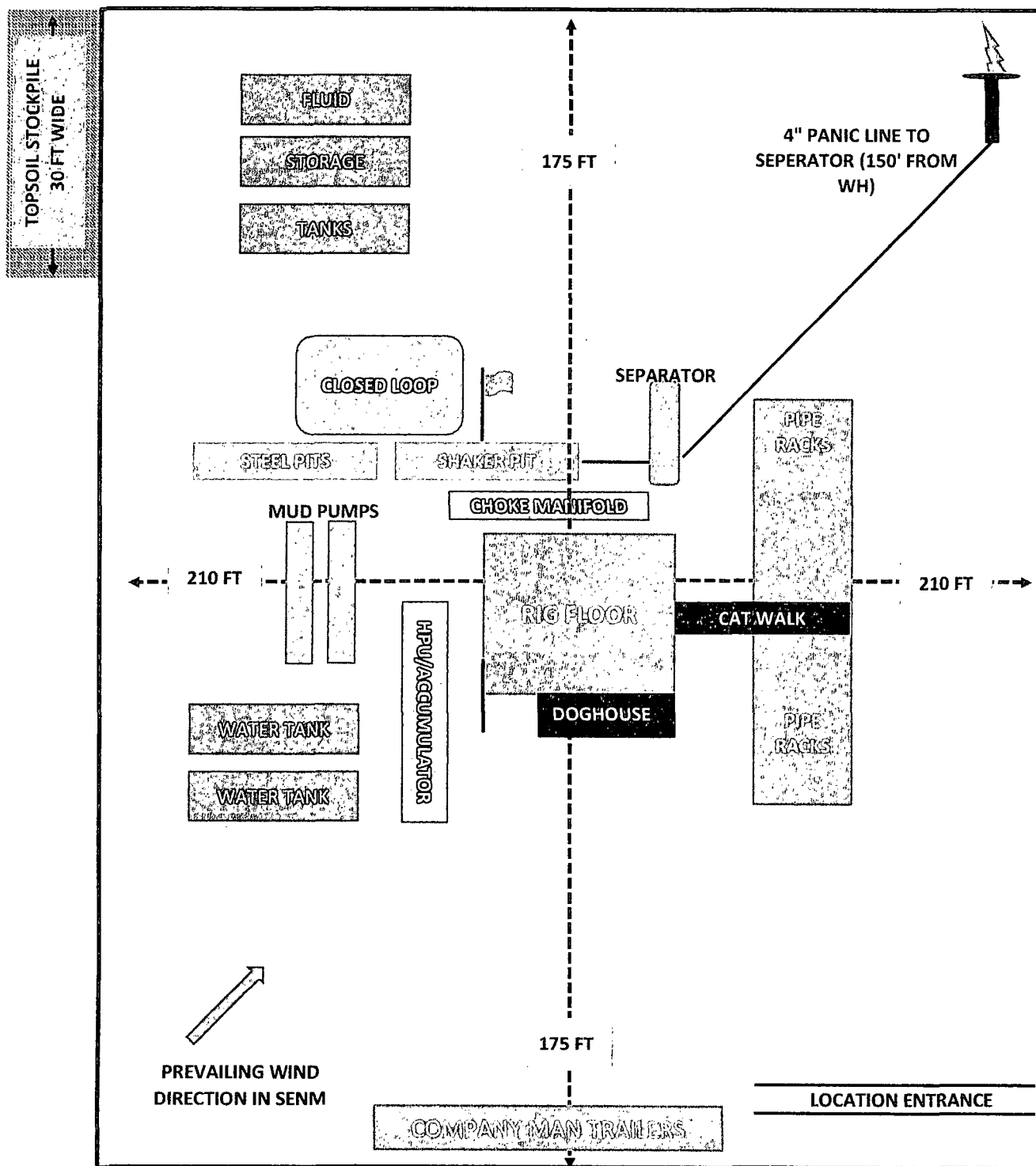




TARGETED T'S. ALL TURNS WILL BE TARGETED.
 OPTION TO USE FLEX HOUSE. TBD ONCE DRILLING RIG IS SECURED. WILL SUNDRY.
 ALL CHOKE LINES WILL BE STRAIGHT LINES UNLESS TURNS THAT USE TEE BLOCKS OR ARE
 TARGETED WITH RUNNING TEES, AND WILL BE ANCHORED TO PREVENT WHIP & REDUCE VIBRATION

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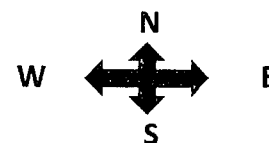


ENDURANCE RESOURCES LLC

RIG LOCATION LAYOUT

WELL PADS 420' X 350'

NOTE: DRAWING NOT TO SCALE



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JUL 11 2009
11:25 AM
OFFICE OF THE
SHERIFF

McVay Drilling Co.

Rig # 4 – Pit System

