

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101  
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

HOBBS OCD

AMENDED REPORT

1220 South St. Francis Dr.

JUL 10 2015

Santa Fe, NM 87505

RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address ENDURANCE RESOURCES LLC 203 West Wall Suite 1000 Midland, TX 79701		2. OGRID Number 270329
3. Property Name TELE DELUX 32 STATE SWD		5. API Number 30-025-42692
4. Property Code 316025	6. Well No. SWD 1	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
1	32	25 S	35 E		2560	S	400	E	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name SWD; CHERRY CANYON	Pool Code 97003
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Additional Well Information

11. Work Type New Well	12. Well Type SWD Well	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3225.9'
16. Multiple N	17. Proposed Depth 7,800'	18. Formation Cherry Canyon	19. Contractor	20. Spud Date 09/01/2015
Depth to Ground water: 0-400'		Distance from nearest fresh water well		Distance to nearest surface water: N/A

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1100	1100	Surface
Intl	12.25	9.625	40	5100	1085	Surface
Prod	8.75	7	26	7800	1370	Surface

Casing/Cement Program: Additional Comments

Plan to drill a 17-1/2" hole to 1,100' with Fresh Water. Run 13-3/8", 54.5#, J-55 STC csg and cement to surface. Drill 12-1/4" hole to 5,100' with Brine. Run 9-5/8", 40.0#, J-55 and HCL-80 LTC csg and cement to surface. Drill 8-3/4" hole to 7800'. Run 7", 26#, L-80 csg LTC and cement to surface.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Cameron

<p>23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: <i>Tinlee Tilton</i> Printed name: TINLEE TILTON Title: Engineer E-mail Address: tinlee@enduranceresourcesllc.com Date: 7/7/2015</p>	OIL CONSERVATION DIVISION	
	Approved By: <i>[Signature]</i>	
	Title: Petroleum Engineer	
	Approved Date: 07/14/15	Expiration Date: 07/14/17
	Conditions of Approval Attached <b>See Attached P<sup>r</sup></b>	
	Phone: 432-242-4693	

JUL 14 2015

Conditions of Approval

CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-42692	ENDURANCE RESOURCES LLC	TELE DELUX 32 STATE SWD # 001

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

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Other wells

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Drilling

XXXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Casing

XXXXXXX	SURFACE & INTERMEDIATE(1) CASING - Cement must circulate to surface --
XXXXXXX	PRODUCTION CASING - Cement must circulate to surface --
XXXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
XXXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

Lost Circulation

XXXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

Stage Tool

XXXXXXX	Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186
XXXXXXX	If using Stage Tool on Surface casing, Stage Tool must be greater than 350' from surface and a minimum 200 feet above surface shoe.
XXXXXXX	When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.

Pits

XXXXXXX	If using a pit for drilling and completions, must have an approved pit form prior to spudding the well

Completion & Production

XXXXXXX	Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114
XXXXXXX	Must conduct & pass MIT prior to any injection
XXXXXXX	Approval for <b>drilling/workover ONLY</b> – <b>CANNOT INJECT or DISPOSE</b> until injection/disposal order has been approved by the OCD Santa Fe Office.