

**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

**HOBBS OCD**

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

FEB 26 2016

Santa Fe, NM 87505

**RECEIVED**

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

|   |  |   |
|---|--|---|
| <sup>1</sup> Operator Name and Address<br>ENDURANCE RESOURCES LLC<br>203 West Wall<br>Suite 1000<br>Midland, TX 79701 |  | <sup>2</sup> OGRID Number<br>270329             |
| <sup>4</sup> Property Code<br>314082  |  | <sup>3</sup> API Number<br>30-025- <b>43084</b> |
| <sup>5</sup> Property Name<br>Tele Deluxe State 32 <b>STATE</b>   |  | <sup>6</sup> Well No.<br>706H                   |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A        | 32      | 25 S     | 35 E  |         | 300       | N        | 485       | 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 |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P        | 32      | 25 S     | 35 E  |         | 330       | S        | 330       | E        | LEA    |

**9. Pool Information**

|  |                                 |
|--|---------------------------------|
| Pool Name<br><b>WC-025 G-08 525335K; Bone Spring</b> | Pool Code<br>97741 <b>97086</b> |
|--|---------------------------------|

**Additional Well Information**

|                                     |  |   |                                      |   |
|-------------------------------------|--|---|--------------------------------------|---|
| <sup>11</sup> Work Type<br>New Well | <sup>12</sup> Well Type<br>Oil             | <sup>13</sup> Cable/Rotary<br>R             | <sup>14</sup> Lease Type<br>State    | <sup>15</sup> Ground Level Elevation<br>3220.1' |
| <sup>16</sup> Multiple<br>N         | <sup>17</sup> Proposed Depth<br>16,958' MD | <sup>18</sup> Formation<br>Upper Wolfcamp A | <sup>19</sup> Contractor<br>NorAm 23 | <sup>20</sup> Spud Date<br>08/01/2016           |
| Depth to Ground water: 0-400'       |  | Distance from nearest fresh water well      |                                      | Distance to nearest surface water               |

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             | 1010          | 760             | Surface       |
| Int1 | 12.25     | 9.625       | 40/43.5          | 9500          | 1400            | Surface       |
| Prod | 8.5       | 5.5         | 20               | 16958         | 1400            | 4000          |

**Casing/Cement Program: Additional Comments**

Plan to drill a 17-1/2" hole to 1010' with Fresh Water. Run 13-3/8", 54.5#, J-55 csg and cement to surface. Drill 12-1/4" hole to 9,500' with OBM, and run 9-5/8", 40.0/43.5#, HCL-80 csg and cement to surface. Drill vertical to KOP and drill a 10"/ 100' curve and a ~4,400' lateral to TD of ~16,958'. Run 5-1/2", 20#, P-110 csg and cement to 4000'.

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 5000             | 5000          | Cameron      |

<sup>23</sup> 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  and/or 19.15.14.9 (B) NMAC , if applicable.

Signature: *Tinlee Tilton*

Printed name: Ms. Tinlee Tilton

Title: Engineer

E-mail Address: tinlee@enduranceresourcesllc.com

Date: 2/24/2016

Phone: 432-242-4693

OIL CONSERVATION DIVISION

Approved By:

Title: **Petroleum Engineer**

Approved Date: **02/26/16**

Expiration Date: **02/26/18**

Conditions of Approval Attached

**See Attached**

FEB 26 2016

**Conditions of Approval**

CONDITIONS OF APPROVAL

| API #        | Operator                | Well name & Number         |
|--------------|-------------------------|----------------------------|
| 30-025-43084 | ENDURANCE RESOURCES LLC | TELE DELUX 32 STATE # 706H |

Applicable conditions of approval marked with **XXXXXX**

Administrative Orders Required

|  |  |
|--|--|
|  |  |
|--|--|

Other wells

|  |  |
|--|--|
|  |  |
|--|--|

Drilling

|               |  |
|---------------|--|
| <b>XXXXXX</b> | 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

|               |  |
|---------------|--|
| <b>XXXXXX</b> | SURFACE & INTERMEDIATE(1) CASING - Cement must circulate to surface --                                       |
| <b>XXXXXX</b> | PRODUCTION CASING - Cement must tie back into intermediate casing --   |
|               | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| <b>XXXXXX</b> | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water         |
|               |  |

Lost Circulation

|               |   |
|---------------|---|
| <b>XXXXXX</b> | Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186 |
|               |   |

Stage Tool

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

Pits

|               |  |
|---------------|--|
| <b>XXXXXX</b> | If using a pit for drilling and completions, must have an approved pit form prior to spudding the well |
|               |  |

Completion & Production

|               |  |
|---------------|--|
| <b>XXXXXX</b> | Will require a directional survey with the C-104 |
|               |  |