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Form 3160-3  
(February 2005)  
JAN 28 2011  
HOBBSD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
NM 65976  
6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
ENDURANCE RESOURCES LLC

3a. Address  
PO BOX 1466 ARTESIA, NM 88211

3b. Phone No. (include area code)  
575-308-0722

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
PLEASE SEE ATTACHED

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.  
PALADIN FEDERAL #1,2,3,4,5,6

9. API Well No.  
PLEASE SEE ATTACHED

10. Field and Pool or Exploratory Area  
CRAZY HORSE DELAWARE

11. Country or Parish, State  
LEA, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Water is produced from the Crazy Horse Delaware  
Approximately 200 BWPD  
Water is stored in 500 bbl closed fiberglass tank  
Water is transported via pipe line to:  
Lusk SWD #1  
SWD-OCD# SWD-634  
NWNW Sec 7, T19S-R33E  
Lea Co. NM

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

ACCEPTED FOR RECORD  
JAN 26 2011  
/s/ JD Whitlock Jr  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

RECEIVED  
2011 JAN 10 P 1:08  
BUREAU OF LAND MGMT  
HOBBSD, NEW MEXICO

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)  
Randall Harris

Title Geologist

Signature

Date 01/06/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

(Instructions on page 2)

PALADIN FEDERAL #001	F	C-19-19S-33E	30-025-32870 ✓	13390 CRAZY HORSE;DELAWARE
PALADIN FEDERAL #002	F	2-19-19S-33E	30-025-31231 ✓	13390 CRAZY HORSE;DELAWARE
PALADIN FEDERAL #003	F	1-19-19S-33E	30-025-33310 ✓	13390 CRAZY HORSE;DELAWARE
PALADIN FEDERAL #004	F	B-19-19S-33E	30-025-33309 ✓	13390 CRAZY HORSE;DELAWARE
PALADIN FEDERAL #005	F	G-19-19S-33E	30-025-33311 ✓	13390 CRAZY HORSE;DELAWARE
PALADIN FEDERAL #006	F	F-19-19S-33E	30-025-33312 ✓	13390 CRAZY HORSE;DELAWARE

**BJ SERVICES COMPANY**

WATER ANALYSIS #FW01W051

ARTESIA LAB

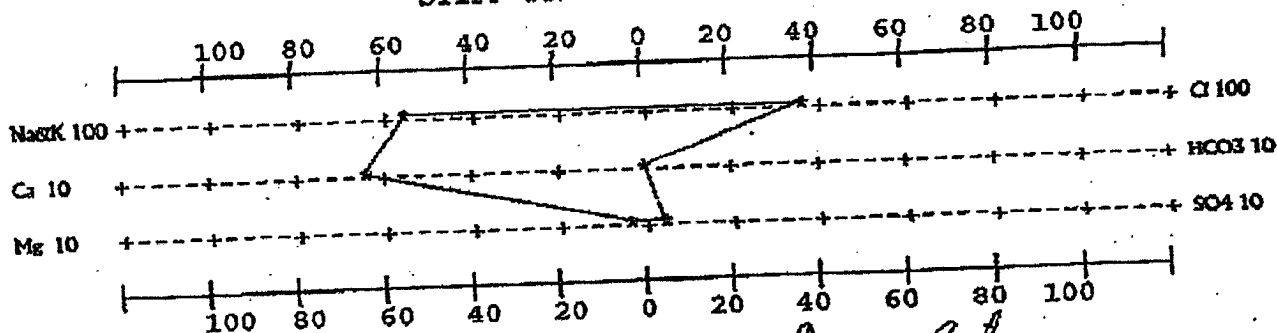
**GENERAL INFORMATION**

OPERATOR: RAY WESTALL OPERATING  
 WELL:  
 FIELD:  
 SUBMITTED BY: RANDY HARRIS  
 WORKED BY: CRAIG BAILEY  
 PHONE NUMBER:

DEPTH:  
 DATE SAMPLED: 04/03/96  
 DATE RECEIVED: 04/03/96  
 COUNTY: EDDY  
 FORMATION: STATE: NM

**SAMPLE DESCRIPTION****PHYSICAL AND CHEMICAL DETERMINATIONS**

SPECIFIC GRAVITY:	1.165	@ 80°F	PH:	5.55
RESISTIVITY (CALCULATED):	0.025	ohms @ 75°F		
IRON (FE++) :	100	ppm	SULFATE:	1,073 ppm
CALCIUM:	13,060	ppm	TOTAL HARDNESS	35,214 ppm
MAGNESIUM:	626	ppm	BICARBONATE:	126 ppm
CHLORIDE:	125,294	ppm	SODIUM CHLORIDE (Calc)	206,108 ppm
SODIUM+POTASS:	88,621	ppm	TOT. DISSOLVED SOLIDS:	250,328 ppm
IODINE:			POTASSIUM CHLORIDE:	

**REMARKS****STIFF TYPE PLOT (IN MEQ/L)**

ANALYST

*Craig Bailey*  
 CRAIG BAILEY

APR 11 9 23 AM '96  
 CARLSON  
 AREA H...  
 ...

RECEIVED

**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Disposal of Produced Water From Federal Wells  
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Disposal at any other site will require prior approval.
10. Subject to like approval by NMOCD.

9/30/2010