

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL  
HEARINGS SECTION**

**OIL AND GAS DOCKET NO. 09-0269717**

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**APPLICATION OF ENDURE EXPLORATION COMPANY, INC. TO SUPERCEDE THE FINAL ORDER SIGNED SEPTEMBER 29, 2009 IN OIL & GAS DOCKET NO. 09-0259767 REQUIRING THAT THE THRESHER B (28560) LEASE, WELL NOS. 1, 2, 4 AND 8, YOUNG COUNTY REGULAR FIELD, YOUNG COUNTY, TEXAS, BE PLUGGED, ENABLING ENDURE EXPLORATION COMPANY, INC. TO BECOME THE OPERATOR OF RECORD.**

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**FINAL ORDER**

The Commission finds that after statutory notice the above-captioned proceeding was heard by the examiner on April 1, 2011. Having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

**FINDINGS OF FACT**

1. Endure Exploration Company, Inc. (hereinafter "Endure") and Sundial Resources, Inc. (hereinafter "Sundial") were given at least 10 days notice of this proceeding. Endure appeared at the scheduled time and place for the hearing through its CEO, William Clinton Weeden. Sundial did not appear. Endure has agreed on the record of the hearing that this Final Order shall be effective as of the date a Master Order relating to this Final Order is signed.
2. Endure filed its first Commission Form P-5 (Organization Report) with the Commission on July 12, 2010. Endure has posted financial assurance with the Commission in the form of a \$50,000 letter of credit which expires October 31, 2011.
3. Sundial was recognized as the operator of the Thresher B (28560) Lease after filing a Commission Form P-4 (Producer's Transportation Authority and Certificate of Compliance), effective October 1, 2005.
4. In Oil & Gas Docket No. 09-0259767, signed September 29, 2009, Andrew A. McDermott, President of Sundial, and Masmarijanto Soedarsono, Vice-President of Sundial, were ordered to plug the Thresher B (28560) Lease, Well Nos. 1, 2, 4 and 8 and pay an administrative penalty of \$13,000.
5. Endure seeks to supercede the Final Order against Sundial in Oil & Gas Docket No. 09-

0259767 as to the Thresher B (28560) Lease, Well Nos. 1, 2, 4 and 8.

6. Endure has filed a Commission Form P-4 dated November 10, 2010 indicating that it wishes to be designated operator of the Thresher B (28560) Lease.
7. Endure will use the Thresher B (28560) Lease, Well No. 1 as an injection well. Well Nos. 2, 4 and 8 will be producers. Endure has an oil & gas lease on the relevant property dated January 13, 2011 with a primary term of one year.
8. Superceding the requirement in the Final Order entered in Oil & Gas Docket No. 09-0259767 that the Thresher B (28560) Lease, Well Nos. 1, 2, 4 and 8 be plugged is necessary to prevent waste.
  - (a) Based on current pressure readings on the wells, Endure believes each of the wells will initially produce approximately 30 BO per day. Endure expects the wells to produce 10 to 15 BO per day over the long run.
  - (b) Endure believes there is production remaining in the Strawn and plans to drill an additional ten wells to the Strawn on the lease.
9. Sundial has paid the \$13,000 penalty are required by the Final Order in Docket No. 09-0259767.

### **CONCLUSIONS OF LAW**

1. Proper notice of hearing was timely issued to the appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Endure Exploration Company, Inc. has a good faith claim of a right to operate the subject lease.
4. Endure Exploration Company, Inc. has filed financial assurance in the type and amount required under Texas Natural Resources Code §91.107 and Commission Statewide Rule 78 to be approved as the operator of the subject lease.
5. An Order superceding the Final Order entered in Oil & Gas Docket No. 09-0259767 requiring plugging of Well Nos. 1, 2, 4 and 8 on the Thresher B (28560) Lease is necessary to prevent waste.
6. Pursuant to §2001.144(a)(4) of the Texas Government Code, and the agreement of the parties, this Final Order is effective when a Master Order relating to this Final Order is signed on April 8, 2011.

It is accordingly **ORDERED** that the provision in the Final Order entered in Oil & Gas Docket No. 09-0259767 requiring plugging of Well Nos. 1, 2, 4 and 8 on the Thresher B (28560) Lease, Young County, is hereby superceded. All other provisions of the Final Order shall remain in full force and effect.

It is further **ORDERED** that the Form P-4 (Certificate of Compliance and Transportation Authority) filed by Endure Exploration Company, Inc. to change the operator of Well Nos. 1, 2, 4 and 8 on the Thresher B (28560) Lease, Young County from Sundial Resources, Inc. to Endure Exploration Company, Inc. is hereby **APPROVED**.

It is further **ORDERED** by the Commission that this order shall be effective on April 18, 2011, when the Master Order relating to this Final Order is signed.

All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 18th day of April, 2011, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotected Master Order dated  
April 18, 2011)**