

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



September 17, 2020

Delaware Energy, LLC (OGRID 371195)
c/o Sarah Presley
E-mail contact: s.presley@delawareenrgy.com

RE: Administrative Order SWD-1745; Second Extension of Deadline to Inject
Well: Chapman SWD Well No. 1 (API 30-025-44954)
Located: Unit O, Sec 10, T25S, R36E, NMPM, Lea County, New Mexico
Order Date: September 11, 2018
Injection formations: Devonian formation; 13,145 feet to 14,145 feet

Dear Ms. Presley:

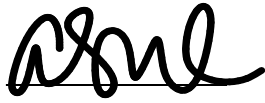
Reference is made to your September 9, 2020 request on behalf of Delaware Energy, LLC (the “operator”) to extend the deadline stipulated in the above titled order to commence injection for the above referenced well for reasons outlined in your correspondence. The deadline date to commence injection under said order was one year after issuance of the order: September 11, 2019. However, the Oil Conservation Division (OCD) did not formally approve the operator’s first extension request submitted August 22, 2019, which contained the required information and was submitted prior to the original deadline. Therefore, the OCD shall recognize the first extension request providing a current deadline date of September 11, 2019.

It is the OCD’s understanding from your correspondence that since the date of issuance of this permit, no additional wells that penetrate the approved injection interval were drilled in the one-mile Area of Review (AOR). Additionally, no new affected parties have been identified in the AOR that need to be notified of the extension request. Therefore, the extension request could be reviewed administratively for approval.

The OCD finds that for reasons you have stated, the granting of this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment. Therefore, the deadline to commence injection for the existing order is hereby extended until September 11, 2021.

All requirements of the above referenced administrative order and agreements in the application remain in full force and effect. Any additional extension of the deadline to commence injection for this administrative order will not be considered unless the operator has already commenced drilling of the referenced well.

Otherwise, the injection authority shall expire under the terms of the extended administrative order and the operator shall be required to submit a new application to obtain injection authority for the referenced well.

A handwritten signature in black ink, appearing to read 'ASnl', written over a horizontal line.

ADRIENNE SANDOVAL
Director

AS/bl

cc: Oil Conservation Division - Hobbs District Office
Order SWD-1745