

30-02537582

Delaware Water Company, LLC
MULTI-POINT SURFACE USE AND OPERATIONS PLAN

HOBBS OCD

Brininstool 25 Federal #1
SHL & BHL: 1980 FSL & 660 FEL
Section 25, T23S-R33E
Lea County, New Mexico

AUG 22 2013

RECEIVED

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

- a. The well site and elevation plat for the proposed well are reflected on the site layout; Form C-102. The well was staked by Gary G. Eidson, Registered Professional Surveyor.
- b. Satellite/Topo map, page 3 above, shows the well and roads in the vicinity of the proposed re-entry. Right of way using a portion off CR-21 on Fee land for which surface access has been granted.
- c. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition on this lease.

DIRECTIONS:

From the intersection of NM-128 (Orla Rd.) and C-21 (Delaware Basin Rd.) north 4.0 miles, west 0.75 miles then north 0.30 miles, east 0.20 miles, north 0.40 miles to northwest corner of original pad.

ACCESS ROAD:

The access road from the south section line was constructed but will require reconditioning.

2. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. When the Brininstool 25 Federal #1 is completed as a SWD the surface equipment installation will be coordinated with the surface owner, Mrs. Brininstool.
- B. All flowlines will adhere to API standards.
- C. Electricity right of way will be obtained through Brininstool Ranch ROW to Central Valley Power.
- D. If the well is completed as a SWD, rehabilitation plans are as follow:
 1. The original topsoil from the well site will be returned to the location, if any

3. LOCATION AND TYPES OF WATER SUPPLY:

The water for the drilling of this well will be acquired from the Brininstool Ranch and will be trucked to the location. If that water is not available it will be trucked from commercial stations.

4. CONSTRUCTION MATERIALS:

All caliche utilized for the drilling pad and access road will be obtained for an existing BLM approved pit or from prevailing deposits found at or under the location. All roads will be constructed of 6" rolled and compacted caliche.

AUG 26 2013

5. METHODS OF HANDLING WASTE MATERIAL:

- a. All trash, junk and other waste materials will be removed from the website within 30 days after finishing drilling and/or completion operations. All waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.
- b. The supplier, including broken sacks, will pick-up slats remaining after completion of the well.
- c. A porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete
- d. Disposal of fluids to be transported by an approved disposal company.

6. ANCILLARY FACILITIES:

No campsite or other facilities will be constructed as a result of this well.

7. WELLSITE LAYOUT:

- a. Exhibit 1 shows the proposed well site layout with dimensions of the pad layout.
- b. Mud pits in the active circulating system will be steel pits and a closed loop system.

8. PLANS FOR SURFACE RECLAMATION:

- a. After finishing re-entry and completion operations the caliche will be removed from the pad and transported to the original source, or as directed by the surface owner.

9. SURFACE OWNERSHIP:

Brininstool Living Trust
P.O. Drawer A
Jal, NM 88252

(Delaware Water Company, LLC has an agreement with the owner.)

10. OTHER INFORMATION:

- a. The area surrounding the well site is grassland. The vegetation, at present, is very sparse with native prairie grass and mesquite bushes. No wildlife was observed, but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. If the well is converted to SWD the caliche from the drill pad, if added to, will be reclaimed, the the unused pad area will be re-contoured.

OPERATOR'S REPRESENTATIVE:

Kay Havenor
Geoscience Technologies
904 Moore Ave.
Roswell, NM 88201-1144

7. Ancillary Facilities:

No campsite or other facilities will be constructed as a result of this well.

8. Wellsite Layout:

- a. Exhibit 2 below shows the proposed well site layout with dimensions.
- b. Mud containers in the active circulating system will be steel pits.

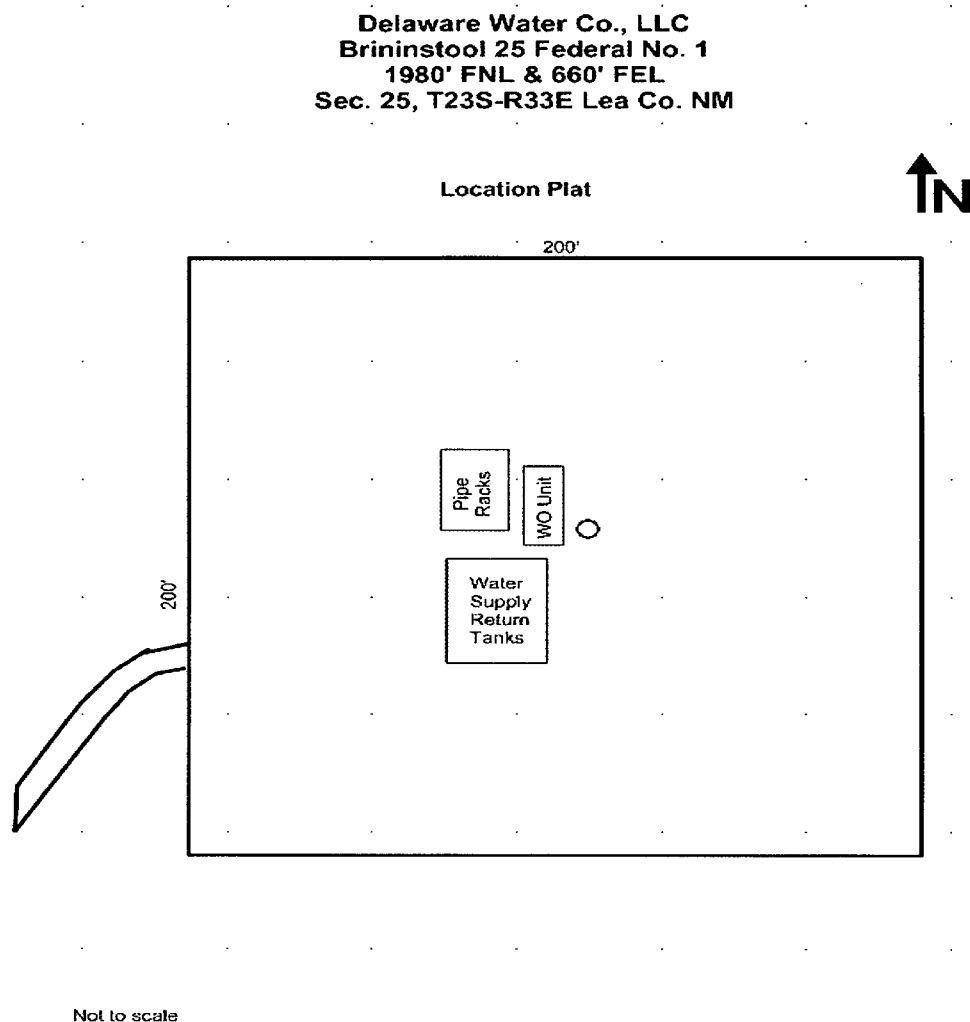


Exhibit 2 Well layout for re-entry

Note: Original drilling pad is larger than required for this re-entry. Only that space actually required for workover rig and support equipment will be utilized.

Delaware Water Co., LLC
Brininstool 25 Federal #1
1980' FNL & 660' FEL
Sec. 25, T23S-R33E Lea Co., NM

API 30-025-37582

12. Operator's Representative:

Kay Havenor
904 Moore Ave.
Roswell, NM 88201-1144
(575) 626-4518

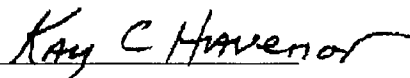
Operator Certification

Operator: Delaware Water Co., LLC.
P.O. Box 1224
Jal, NM 88252
575-631-0522

Field Representative: Kay Havenor
904 Moore Ave.
Roswell, NM 88201-1144
575-626-4518

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 23th Day of January, 2013:



Name: Kay Havenor
Position Title: Agent for Delaware Water Co., LLC
Address: 904 Moore Ave. Roswell, NM 88201-1144
Telephone: 575-626-4518
Email: KHavenor@georesources.com

**Brininstool 25 Federal #1
SHL & BHL: 1980 FSL & 660 FEL
Section 25, T23S-R33E
Lea County, New Mexico**

Operator's Representative
Delaware Water Co., LLC
P.O. Box 1244
Jal, NM 88252
Contact Phone: (575) 626-4518
Kay Havenor

CERTIFICATION:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Delaware Water Company, LLC

5/30/2013

Kay Havenor

Executed this 30th day of May, 2013

Name: Kay Havenor
Kay Havenor

Title: Geologist

Address: 904 Moore Ave
Roswell, NM 88201

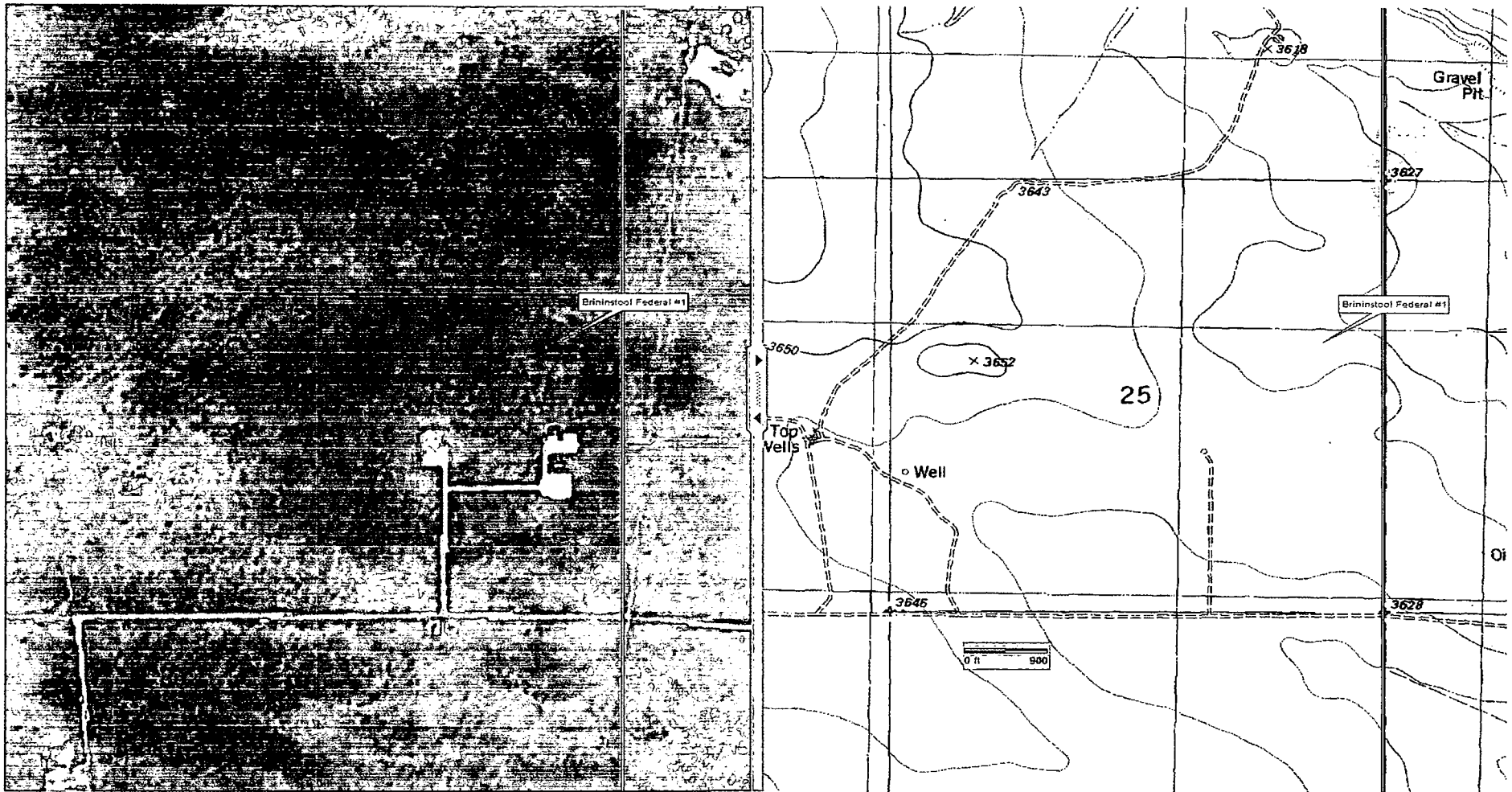
Telephone: (575) 626-4518

Email: Khavenor@georesources.com

Field Representative: Same as above

1980' FNL & 660' FEL

Sec. 25, T23S-R33E Lea Co., NM



Delorme Xmap6

Directions: At intersection of NM-128 and Lea County CR-21 (Delaware Basin Rd.) north for 4.7 miles, then west 2,500 feet to the drilling pad., N32.2771° W103.5981° NAD27.