

July 26, 2018

State of New Mexico Oil Conservation Division
Attn: Phillip Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Extension of Administrative Order SWD 1644
Aztec SWD Well No.1

Mr. Goetze:

Delaware Energy, LLC is seeking administrative approval to extend Administrative Order SWD 1644 for one year. We have found that there are no new wells within the AOR and there has been no change to the affected person.

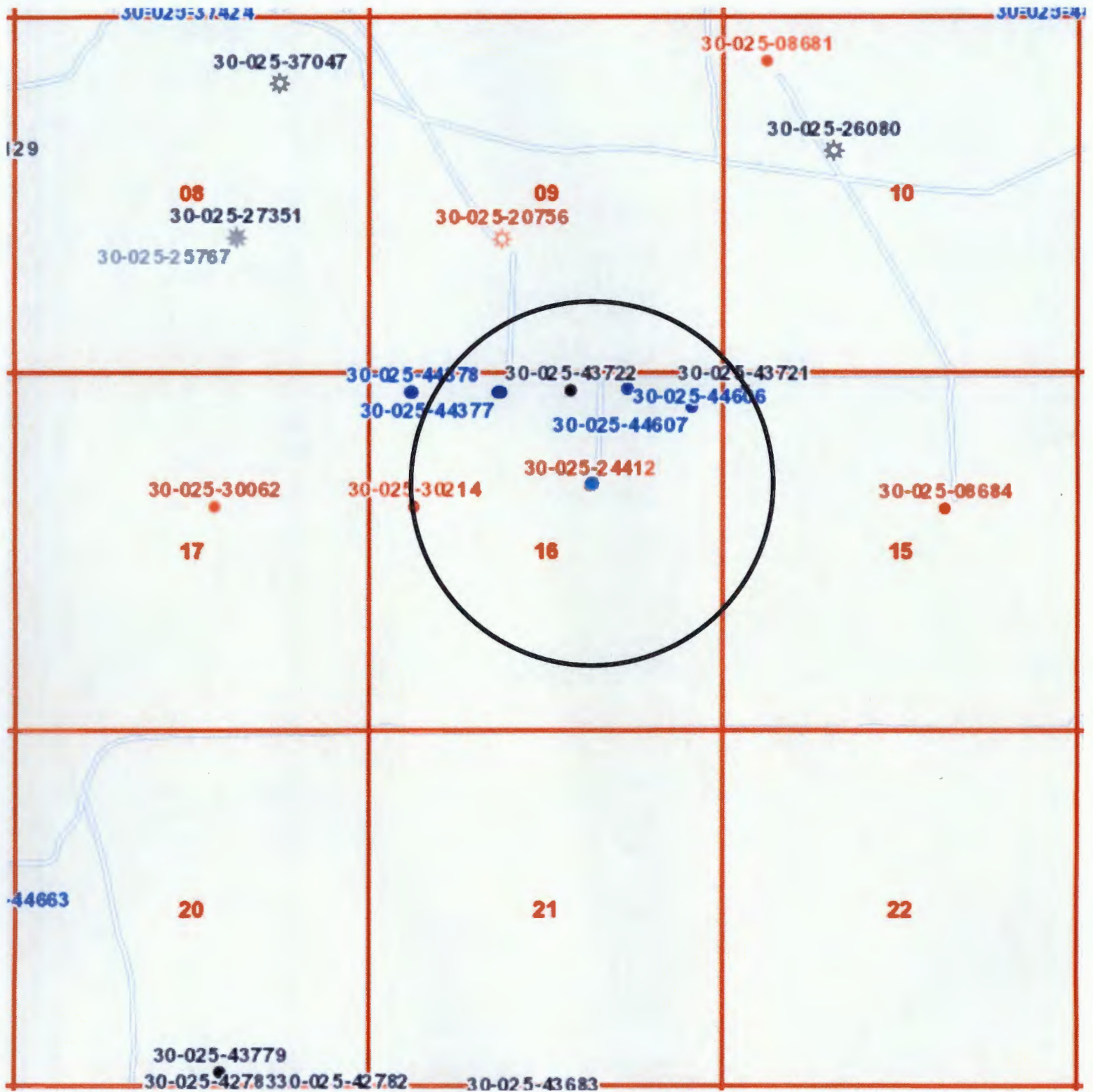
<u>Well:</u>	Aztec State SWD #1
<u>API:</u>	30-025-24412
<u>Disposal Zone:</u>	Devonian Formations (from 16,770' - 17,700')
<u>Location:</u>	1,650' FNL & 1,980' FEL, UL G, Sec. 16-T24S-R35E, Eddy Co., NM
<u>Applicants Name:</u>	Delaware Energy, L.L.C.
<u>Applicants Address:</u>	405 N. Mariefeld, Suite 200, Midland, TX 79701

Please contact me if you have any questions at 432-685-7005 or 432-269-3789.

Sincerely,



Sarah Presley
Operations Manager
s.presley@delawareenergy.com



NO NEW WELLS – 1/2 MILE RADIUS

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-24412
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name AZTEC STATE SWD
8. Well Number 1
9. OGRID Number 371195
10. Pool name or Wildcat SWD; DEVONIAN

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator DELAWARE ENERGY, LLC	
3. Address of Operator 405 N. MARIENFELD, SUITE 200, MIDLAND, TX 79701	
4. Well Location Unit Letter <u>16</u> : <u>1650</u> feet from the <u>NORTH</u> line and <u>1980</u> feet from the <u>EAST</u> line Section <u>2</u> Township <u>24 S</u> Range <u>35 E</u> NMPM County <u>LEA</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: EXTEND SWD PERMIT <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

DELAWARE ENERGY, LLC RESPECTFULLY REQUEST TO EXTEND SWD-1644 FOR ONE YEAR.
CURRENT EXPIRATION DATE: AUGUST 11, 2018
ANTICIPATED RE-ENTRY DATE: NOVEMBER 1, 2018
ANTICIPATED INJECTION DATE: FEBRUARY 1, 2019

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Presley TITLE OPERATIONS MANAGER DATE 7.26.2018

Type or print name SARAH PRESLEY E-mail address: s.presley@delawareenergy.com PHONE: 432-685-7005

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1644
August 11, 2016

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, Delaware Energy, LLC (the "operator") seeks an administrative order for its proposed Aztec State SWD Well No. 1 with a location 1650 feet from the North Line and 1980 feet from the East line, Unit G of Section 16, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, for commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B, NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Division Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

Delaware Energy, LLC (OGRID 371195), is hereby authorized to utilize its Aztec State SWD Well No. 1 (API 30-025-24412) with a location 1650 feet from the North Line and 1980 feet from the East line, Unit G of Section 16, Township 24 South, Range 35 East, NMPM, Lea County, for disposal of oil field produced water (UIC Class II only) through an open-hole interval within the Devonian formation from 16770 feet to 17700 feet. Injection will occur through internally-coated, **3½-inch** or smaller tubing and a packer set within 100 feet of the uppermost perforation.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formations are open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval.

This permit does not permit disposal into the Ellenburger formation (lower Ordovician) or lost circulation intervals directly on top and obviously connected to this formation.

The operator shall supply the Division with a copy of a mudlog over the permitted disposal interval and an estimated insitu water salinity based on open-hole logs. If significant hydrocarbon

shows occur while drilling, the operator shall notify the Division's District I office and the operator shall be required to receive written permission prior to commencing disposal.

Operator shall submit the results of the swab test which shall include formation water analysis and hydrocarbon potential of the injection interval to the Division's District geologist and Santa Fe Bureau Engineering office prior to commencing injection.

The operator shall circulate the 5½-inch casing to the surface.

The operator shall run a CBL (or equivalent) across the 5½-inch casing from approximately 16700 feet to surface to demonstrate a good cement across the entire casing, good cement bond across the 8-5/8-inch liner, and good cement across the 10-3/4-inch casing.

Within one year after commencing disposal, the operator shall submit to the Division copies of an injection survey run on this well consisting of a temperature log, or equivalent, run under representative disposal rates.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 3354 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected

and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Hobbs District Office
New Mexico State Land Office – Oil, Gas, and Minerals
Well File – 30-025-24412

DATE IN 6/24/2016	SUSPENSE	ENGINEER PRG	LOGGED IN 6/24/2016	TYPE SLO	APP NO PMA41617657924
----------------------	----------	-----------------	------------------------	-------------	--------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

Full Notification
7/26/2016

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

- SLO 1644
- Delaware Energy, LLC
371195

Well
- Aztec State
#1
30-028-2442

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☒ Waivers are attached

POB
- SWD, Devonian
66315

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Preston Stein

Preston Stein

Vice-President

6/20/2016

Print or Type Name

Signature

Title

Date

Preston@delawareenergyllc.com
e-mail Address

RECEIVED OOD

2016 JUN 24 P 2:59

Delaware Energy, LLC
3001 W. Loop 250 North, Suite C-105-318
Midland, TX 79705
(214) 558-1371
Preston@delawareenergyllc.com
June 22, 2016

✶ Mr. Phillip Goetze
Engineering & Geological Services Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Phillip Goetze:

Enclosed please find Delaware Energy's Application for Injection/SWD for the Aztec State #1 wellbore, API # 30-025-24412. Please feel free to contact me should you have any questions, etc.

Sincerely,



Preston M. Stein
Delaware Energy, LLC

cc: New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

Delaware Energy, LLC
Application for Injection/SWD
Aztec State #1, API # 30-025-24412

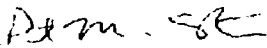
UL G, Sec. 16, T-24-S, R-35-E, 1650' FNL & 1980' FEL, Lea Co., NM

June 20, 2016

Contents:

1. Administrative Application Checklist
2. Form C-108: Application for Authority to Inject
3. Form C-108 Additional Questions Answered
4. Form C-102
5. Chemical Analysis of Delaware Formation Water Sample from T24S, R32E, Lea Co., NM
6. Chemical Analysis of Bone Springs Formation Water Sample from T25S, R33E, Lea Co., NM
7. Wellbore diagram of Aztec State #1 Plugged
8. Wellbore diagram of Aztec State #1 as Planned
9. ~~Tabular Data on All Wells of Public Record within the Area of Review which Penetrate the Proposed Injection Zone~~ (No applicable wells)
10. Map Identifying all Wells and Leases within Two Miles of Any Proposed Injection Well with a One-half Mile Radius Circle Drawn Around Each Proposed Injection Well
11. Sample of Letter Sent with This Application Packet to Owner of Surface of the Land on Which the Well is to be Located and to each Leasehold Operator within One-half Mile of the Well Location
12. Legal Notice that will be run as required in the Hobbs News-Sun
13. Formation Tops
14. Old Regulatory Documents for Aztec State #1

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance xxx Disposal Storage
Application qualifies for administrative approval? xxx Yes No
- II. OPERATOR: Delaware Energy LLC
ADDRESS: 3001 W. Loop 250 N, Suite C-105-318, Midland TX 79705
CONTACT PARTY: Preston Stein PHONE: 214-558-1371
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes xxx No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Preston Stein TITLE: Vice-President
SIGNATURE:  DATE: 6/20/2016
E-MAIL ADDRESS: Preston@Delawareenergyllc.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance xxx Disposal Storage
Application qualifies for administrative approval? xxx Yes No
- II. OPERATOR: Delaware Energy LLC
ADDRESS: 3001 W. Loop 250 N, Suite C-105-318, Midland TX 79705
CONTACT PARTY: Preston Stein PHONE: 214-558-1371
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes XXX No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Preston Stein TITLE: Vice-President
SIGNATURE: _____ DATE: 6/3/2016
E-MAIL ADDRESS: Preston@Delawareenergyllc.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

Side 1

OPERATOR: Delaware Energy LLC

WELL NAME & NUMBER: Aztec State #1

WELL LOCATION: 1650' FNL, 1980' FEL
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE
G 16 24S 35E

WELBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 20" Casing Size: 16" ft³
Cemented with: 475 sx. or
Top of Cement: SURFACE Method Determined: Circulated
Total Depth: 420'

Intermediate Casing (N/A)

Hole Size: 13-3/4" Casing Size: 10-3/4" ft³
Cemented with: 1600 sx. or
Top of Cement: 3,000' Method Determined: Calculated
Total Depth: 5,262'

Liner

Hole Size: 9-7/8" Casing Size: 8-5/8" ft³
Cemented with: 550 sx. or
Top of Cement: 9,300' Method Determined: Calculated
Total Depth: 4,965' - 12,312'

*Planned work

16" 420'

10-3/4" 5,262'

8-5/8" Liner 4,965'-12,312'

*5-1/2" Surface-16,770'

***Planned work**

*5.5" Production Casing

Hole Size: 6-3/4" Casing Size: 5-1/2"
Cemented with: 2,100+ sq. or ft³
Top of Cement: CIRC Method Determined:
Witness/circulate
Total Depth: 16,770'

Injection Interval
16,770' feet to 17,770'
Open Hole

INJECTION WELL DATA SHEETTubing Size: 3.5" Lining Material: Internally plastic coatedType of Packer: Weatherford Arrow Set 1X Injection PackerPacker Setting Depth: 50-100ft above perforationsOther Type of Tubing/Casing Seal (if applicable): NONEAdditional Data

1. Is this a new well drilled for injection? Yes XXX No

If no, for what purpose was the well originally drilled? The well was originally drilled as a vertical Morrow test. The well was found to be unproductive of hydrocarbons.

2. Name of the Injection Formation: Devonian
3. Name of Field or Pool (if applicable): SWD: Devonian

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

Plug spotted @ 14,530' -14,339' w/ 100 sx cmt (OH from 12,312' -14,930')

Plug spotted @ 12,500' -12,100' w/ 100 sx cmt (8-5/8" csg shoe @ 12,312')

Plug spotted @ 1,500' -1,275' w/ 100 sx cmt

Plug spotted @ Surface w/ 10 sx cmt

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

BELOW: None

ABOVE: Morrow 12,850' -13,965', Atoka 12,030' -12,850', Wolfcamp 10,718' -12,030', Bone Springs 9,005' -10,718'

Aztec State #1

API#: 30-025-24412

Location: Sec. 16, T-24S, R-35E, UL G

Formation Tops

Top of Salt	1,350'
Base Salt	3,800'
Delaware sands	5,245'
Cherry Canyon	6,100'
Bone Springs	9,005'
Wolfcamp	10,718'
Atoka	13,000'
Morrow	14,120'
Upper miss/Barnett	15,400'
Mississippian Lime	16,600'
Woodford Shale	16,680'
Devonian	16,770'

5/30/2016

Title _____

Date _____

III. WELL DATA

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

Aztec State #1, Sec. 16-T24S-R35E, 1650' FNL & 1980' FEL, UL G, Lea County, New Mexico

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

Casing Size	Setting Depth	Sacks of Cement	Hole Size	Top of Cement	Determined
16	420'	475	20"	Surface	CIRC
10-3/4"	5,262'	1,600	13-3/4"	3,000	Calculated
8-5/8"	4,965'-12,312'	550	9-7/8"	9,300'	Calculated
*5-1/2"	Surface-16,770'	2100+	6-3/4"	Surface	CIRC

*Delaware Energy plans to run a 5-1/2" Casing from surface to 16,660'.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

3.5" OD, Internally Plastic Coated Tubing set 50 to 100ft above Open Hole

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Weatherford Arrow set 1X injection packer, nickel plated with on/off tool

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

Devonian Formations

Pool Name: SWD (Devonian)

(2) The injection interval and whether it is perforated or open-hole.

16,770' to 17,770' (OH)

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

The well was originally drilled as a vertical Morrow test. The well was found to be unproductive of hydrocarbons.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

Plug spotted @ 14,530'-14,339' w/ 100 sx cmt (OH from 12,312'-14,930')

Plug spotted @ 12,500'-12,100' w/ 100 sx cmt (8-5/8" csg shoe @ 12,312')

Plug spotted @ 1,500'-1,275' w/ 100 sx cmt

Plug spotted @ Surface w/ 10 sx cmt

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

Next Higher: Morrow 14,120'-15,400', Atoka 13,000'-14,120', Wolfcamp 10,718'-13,000', Bone Springs 9,005'-10,718', Cherry Canyon 6,100'-9,005', Delaware Lime 5,245'-6,100'.

Next Lower: None



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,

C=the file is (quarters are 1=NW 2=NE 3=SW 4=SE)
closed) (quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec.	Tws.	Range	X	Y	Depth Well	Depth Water	Water Column
CP 00365		XX		3	3	1	10	24S	35E	654253	3567431*	190		
CP 00573		LE		1	4	1	10	24S	35E	654657	3567638*	405	300	105
CP 00845		LE			1	3	10	24S	35E	654360	3567130*	190		
CP 01513 POD1		LE		3	3	1	10	24S	35E	654184	3567350	186	178	8

Average Depth to Water: 239 feet

Minimum Depth: 178 feet

Maximum Depth: 300 feet

Record Count: 4

PLSS Search:

Section(s): 10

Township: 24S

Range: 35E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

Next Higher: Morrow 14,120'-15,400', Atoka 13,000'-14,120', Wolfcamp 10,718'-13,000', Bone Springs 9,005'-10,718', Cherry Canyon 6,100'-9,005', Delaware Lime 5,245'-6,100'.

Next Lower: None

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-6720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 744-1283 Fax: (575) 744-9720
District III
11801 Rio Brazos Road, Artesia, NM 87410
Phone: (505) 334-6174 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
Energy, Minerals & Natural Resources Department,
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-24412	² Pool Code Undesignated	³ Pool Name SWD; Devonian
⁴ Property Code	⁵ Property Name State W	⁶ Well Number I
⁷ OGRID No. 371195	⁸ Operator Name Delaware Energy, LLC	⁹ Elevation 3379.5'

" Surface Location

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	16	24 S	35 E		1650'	NORTH	1980'	EAST	LEA

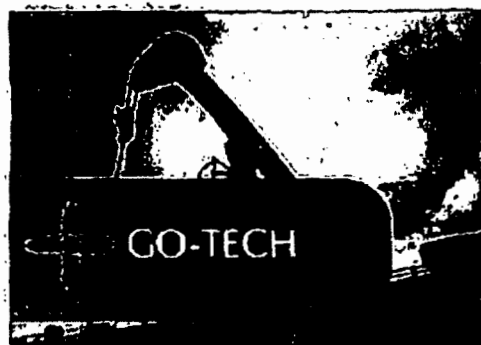
" Bottom Hole Location If Different From Surface

U/L or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	¹⁷ OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order, hereinafter entered by the division.	
	Signature Preston Stein	Date 6/20/2016
	E-mail Address Preston@Delawareenergyllc.com	
	¹⁸ SURVEYOR CERTIFICATION	
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
	SEE ORIGINAL C-102 Date of Survey Signature and Seal of Professional Surveyor	
	Certificate Number	



- Home
- Production Data
- Well Data
- NM Pricessheet
- Water Data
- Projects
- Software
- Archive
- Other Links
- Help

North American Oil and Gas News
IEA claims global warming may lead to 'Miami Beach in Boston' situation unless action is taken

Enbridge reports second quarter adjusted earnings of \$277 million

Imperial Resources: SW/DF full disposal test to commence

Drain Capital announces update on Stolberg well

Source: Oil Voice

NYMEX LS Crude 88.73

Navajo WTXI 0

Henry Hub 3.01

Updated: 8/1/2012

State Land Office Data Access

OCD welllog image files

PRRC NM-TECH NM-BGMR

Delaware Sample
Representative of
Produced and Receiving
Formations

NM WAIDS

Data

- Produced Water
- Ground Water
- Conversion Tools

Scale

- Scale details
- Stiff
- Odor
- Probable Mineral Composition mix

Corrosion

Theory

- Uniform
- Galvanic
- Crevice
- Hydrogen Damage
- EIC
- Erosion

Equipment

General Information About: Sample 4412			
HANAGAN B FEDERAL			
API	3002508151	Sample Number	
Unit/Section/Township/Range	O / 15 / 24S / 32E	Field	DOUBLE X
County	Lea	Formation	DEL
State	NM	Depth	
Lat/Long	32.21178, -103.66422	Sample Source	UNKNOWN
TDS (mg/L)	229709	Water Type	
Sample Date (MM/DD/YYYY)		Analysis Date (MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	491
Sodium (Na)		Chloride (Cl)	142100

Aztec State #1
 1650' FNL & 1980' FEL, UL G, SEC. 16, T-24S R-35E, Lea County, NM
 API # 30-025-24412

3.5" IPC injection tubing
 Plr will be set 50'-100' above OH

20" hole @ 420'
 16" Csg @ 420'
 w/ 475 sx TOC CIRC ✓

TOC @ 3,000' (Calculated)

TOL @ 4,965' ✓

13-3/4" hole @ 5,262'
 10-3/4" Csg @ 5,262'
 w/ 1,600 sx

TOC @ 9,300' (Calculated)

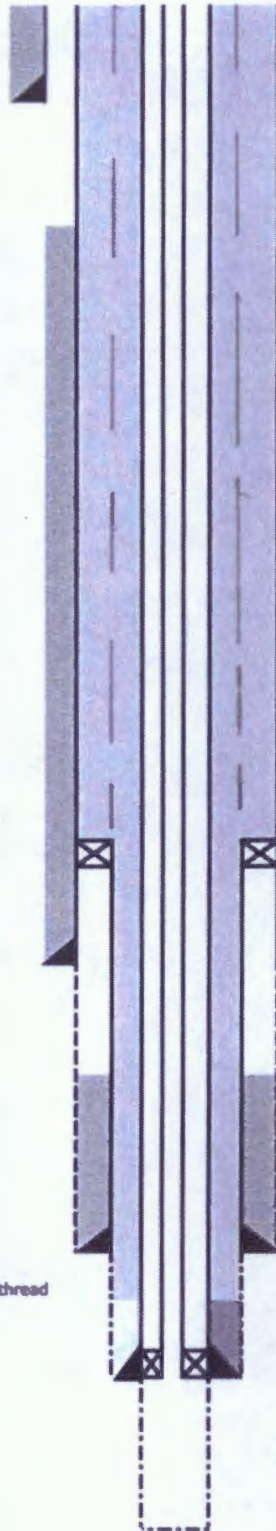
9-7/8" hole @ 12,312'
 8-5/8" @ 12,312'
 w/ 550 sx ✓

5-1/2" casing will be a tapered string of
 23#, 20#, and 17# P-110 full Premium thread

5-1/2" Casing from 16,770'-Surface
 *Cmt will be CIRC to surface

6-3/4" hole from 12,312' to 16,770'

4-1/2" hole
 OH from 16,770'-17,770'



Additional Questions on C-108

VII.

1. **Proposed average and maximum daily rate and volume of fluids to be injected;**

Average 5,000-8,000 BWPD, Max 15,000 BWPD

2. **Whether the system is open or closed;**

Open System, Commercial SWD

3. **Proposed average and maximum injection pressure;**

Average 800-1,200 PSI, Max 3,354 PSI

4. **Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,**

Bone Spring, Delaware, and Wolfcamp produced water. no known incompatibility exists with injected water into the Devonian. Water is compatible with Devonian formation and is used as a disposal interval through the Delaware Basin for Wolfcamp, Bone Springs, and Delaware produced water. See attached water analysis from Bone Spring, Wolfcamp, and Delaware produced water.

5. **If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).**

Disposal interval is barren and does not produce.

***VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.**

The proposed disposal interval is located in the Devonian formations 16,770'-17,770'. There are no fresh water zones underlying the proposed injection zone. Devonian is an impermeable Shale at the very top (Woodford Shale) followed by permeable dolomite. Mud logs and Electric logs will be used to confirm the estimated depths of the Woodford and Devonian Dolomite along with other significant tops. Usable water depth is from surface to a max of 300 and an average depth of 239', the water source is older alluvium (quaternary). Chlorides is 55 mg/l.

X. A mud log and Gamma/Neutron log will be run to confirm the estimated depths of the Woodford Shale and Devonian Dolomite. These logs and cased hole logs will be filed with the commission following drilling operations.

XI. No Active water wells exist in section 16. 3 water wells are known in section 10 to an average depth of 239'.

IX. Describe the proposed stimulation program, if any.

20,000 gallons 15% HCL acid job with packer

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

Delaware Energy, L.L.C. has reviewed and examined available geologic and engineering data in the area of interest for the Aztec State #1 SWD and have found no evidence of faults or other hydrologic connections between Devonian disposal zones and the underground sources of drinking water.

Actec State #1
1650' FNL & 1900' FEL, UL G, SEC. 16, T-24S R-35E, Lea County, NM
API # 30-025-24412

Cmt plug spotted @ Surface
w/ 10 ss cmt

Cmt plug spotted from 1,500'-1,275'
w/ 100 ss cmt

20" hole @ 420'
16" Csg @ 420'
w/ 475 ss TOC CIRC

TOC @ 3,000' (Calculated)

TOL @ 4,965'

13-3/4" hole @ 5,262'
10-3/4" Csg @ 5,262'
w/ 1,800 ss

TOC @ 9,300' (Calculated)

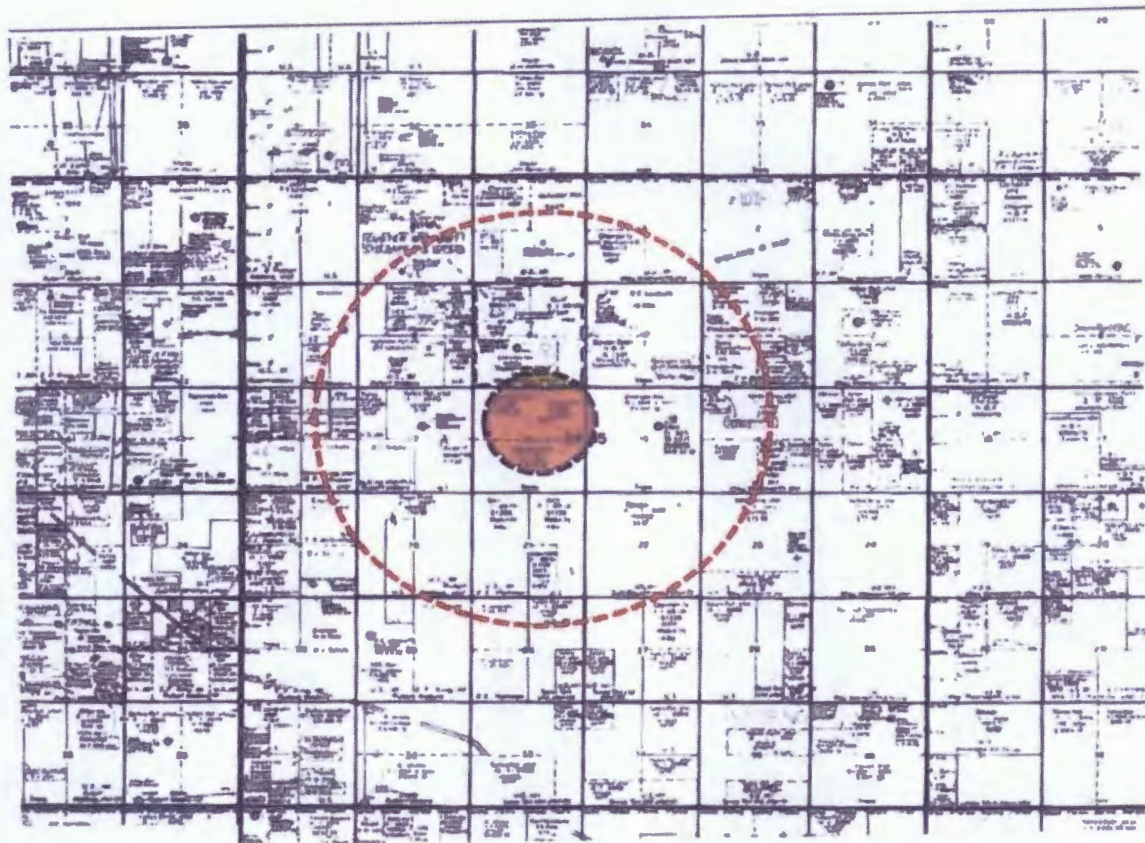
Cmt plug spotted from 12,500'-12,100'
w/ 100 ss cmt

9-7/8" hole @ 12,312'
8-5/8" @ 12,312'
w/ 550 ss

Cmt plug spotted @ 14,530'-14,339' (calculated)
w/ 100 ss cmt

6-3/4" hole @ 14,930'
OH from 9,300'-14,930'

TD: 14,930'



 Energen Resources Corp.
 Chevron USA, Inc.

Delaware Energy, L.L.C.
3001 W. Loop 250 N., Suite C-105-318
Midland, TX 79705
Office: (214) 558-1371

June 20, 2016

Surface Owner / Offset Operators

Re: Notification of Application for Authorization to Inject into the
Aztec State #1 Well

Ladies and Gentlemen:

Delaware Energy, LLC is seeking administrative approval to utilize the Aztec State #1 (API – 30-025-24412) as a Salt Water Disposal well. As required by the New Mexico Oil Conservation Division Rules, we are notifying you of the following proposed salt water disposal well. This letter is a notice only. No action is required unless you have questions or objections.

<u>Well:</u>	Aztec State #1 SWD
<u>Proposed Disposal Zone:</u>	Mississippian-Devonian Formation (from 13,965'-16,280')
<u>Location:</u>	1650' FNL & 1980' FEL, Sec. 16, UL G, T24S, R35E, Lea Co., NM
<u>Applicants Name:</u>	Delaware Energy, L.L.C.
<u>Applicants Address:</u>	3001 W. Loop 250 N., Suite C-105-318, Midland, TX 79705

This application for water disposal well will be filed with the New Mexico Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. And their phone number is 505-476-3460.

Please call Preston Stein with Delaware Energy, LLC if you have any questions at 214-558-1371.

Sincerely,

Preston Stein

DISTRIBUTION LIST

Energen Resources Corporation
605 Richard Arrington, Jr. Blvd. North
Birmingham, AL 35203

Chevron USA, Inc.
1400 Smith Street, Suite 3600
Houston, TX 77002

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

New Mexico Oil Conservation Division – Hobbs Field Office
1625 N. French Drive
Hobbs, NM 88240

Aztec State # 1 – LEGAL NOTICE

Delaware Energy, L.L.C., 3001 W. Loop 250N, Suite C-105-318, Midland, TX 79705, has filed a form C-108 (*Application for Authorization to Inject*) with the Oil Conservation Division seeking administrative approval to utilize the Aztec State #1 (API – 30-025-24412) as a Salt Water Disposal well.

The Aztec State #1 is located at 1650' FNL and 1980' FEL, Unit Letter G, Section 16, Township 24 South, Range 35 East, Lea County, New Mexico. The well will dispose of water produced from oil and gas wells into the Mississippian-Devonian Formations from 13,965' to 16,280' at a maximum rate of 15,000 barrels of water per day at a maximum pressure of 2,783 psi.

Interested parties must file objections or requests for hearing with the Oil Conservations Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

Additional information can be obtained by contacting Delaware Energy, L.L.C., at (214) 558-1371.

Aztec State #1
API#: 30-025-24412
Location: Sec. 16, T-24S, R-35E, UL G

Formation Tops

Top of Salt	1,350'
Base Salt	3,800'
Delaware sands	5,245'
Cherry Canyon	6,100'
Bone Springs	9,005'
Wolfcamp	10,718'
Atoka	13,000'
Morrow	14,120'
Upper miss/Barnett	15,400'
Mississippian Lime	16,600'
Woodford Shale	16,680'
Devonian	16,770'

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator TEXAS INTERNATIONAL PETRO. CORP.				Lease AZTEC STATE		Well No. 1
Unit Letter G	Section 16	Township 24 SOUTH	Range 35 EAST	County LEA		
Actual Footage Location of Well:						
1650 feet from the NORTH line and		1980 feet from the EAST line				
Ground Level Elev. 3379.5	Producing Formation Morrow		Pool Cinta Roja		Dedicated Acreage: 640	Acreage

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

[Signature]
Name

Division Engineer

Position

Texas International Petr Corp.

Company

4-16-73

Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

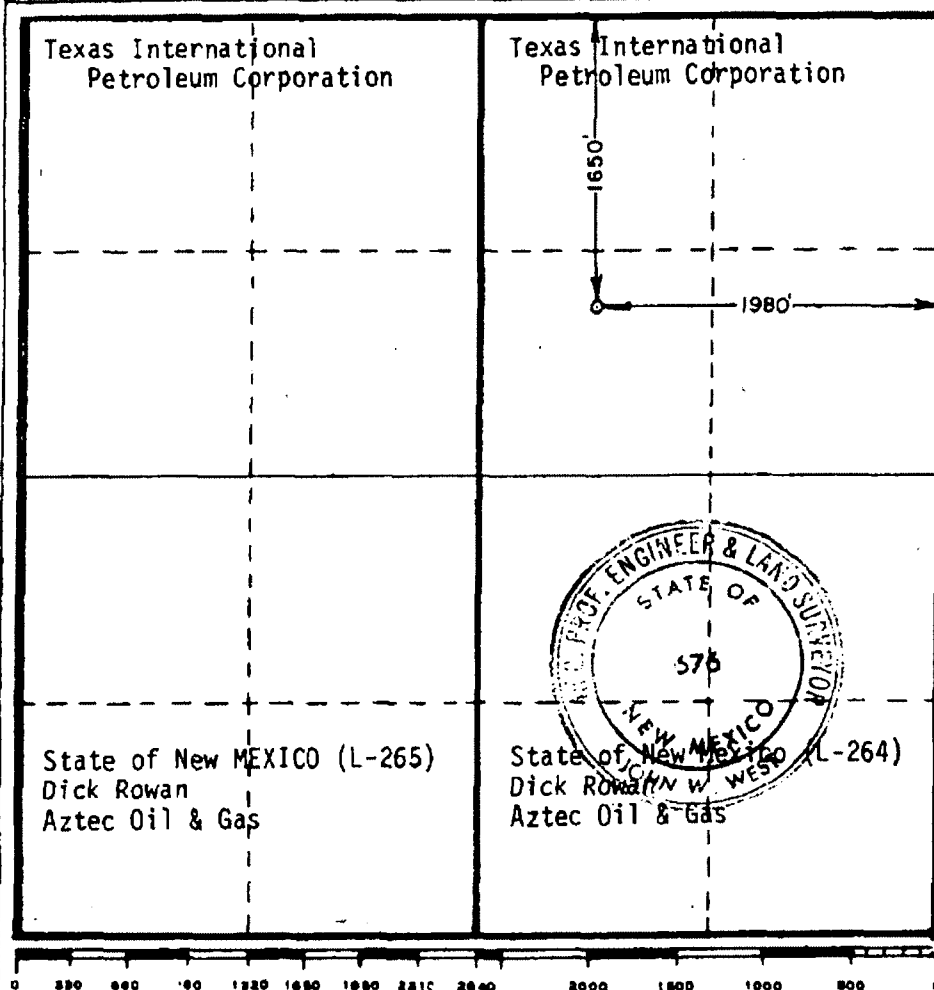
Date Surveyed

APRIL 12, 1973

Registered Professional Engineer
and/or Land Surveyor

[Signature]
Certificate No.

676



RECEIVED

APR 19 1967

OIL CONSERVATION COMM.
HOBBS, N. M.

173

COPIES RECEIVED		
DISTRIBUTION		
DATE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease:
State <input checked="" type="checkbox"/> No <input type="checkbox"/>
5. State Oil & Gas Lease No.
L-264, L-265

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> X OTHER- Dry	7. Unit Agreement Name
2. Name of Operator Texas International Petroleum Corporation	8. Farm or Lease Name Aztec State
3. Address of Operator 1720 Wilco Bldg., Midland, Texas 79701	9. Well No. 1
4. Location of Well UNIT LETTER G 1650 FEET FROM THE North LINE AND 1980 FEET FROM THE East LINE, SECTION 16 TOWNSHIP 24S RANGE 35E NMPM.	10. Field and Pool, or Both Cinta Roja (Morrow)
15. Elevation (Show whether DF, RT, CR, etc.) 3379.5 GL	12. County Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT X <input checked="" type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.


TD 14,930. Spotted 100 sx Class "C" cmt plug from TD-14,530'. Spotted 100 sx Class "C" cmt plug 12,500'-12,100' (200' in & out of 8-5/8" liner shoe set @ 12,312'). Spotted 100 sx Class "C" cmt plug 1,500'-1,275' at top of salt section inside 10-3/4" csg running from surface - 5,262'. Put 10 sx Class "C" cmt plug & dry hole marker at top of 16" surface pipe running from surface-420'. Completed P&A 8-5-73.

Pits will be filled and location leveled as soon as conditions permit.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED <u>DeHelm</u>	TITLE <u>Division Engineer</u>	DATE <u>8-14-73</u>
APPROVED BY <u>John W. Runyon</u>	TITLE <u>Geologist</u>	DATE <u>8-28-73</u>
CONDITIONS OF APPROVAL, IF ANY:		

API 30-025-24412

<u>SENDER, COMPLETE THIS SECTION</u>		<u>COMPLETE THIS SECTION ON DELIVERY</u>	
<p>■ Complete Items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the least if space permits.</p>		<p>A. Signature _____</p> <p>X _____</p> <p>B. Placed by <u>P.O. Box</u> _____ C. Date of Mailing _____</p> <p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>1. Article Addressed to: CITIZEN USA, INC. 1400 Smith St Houston TX 77002</p>			
<p>2. Article Number (Priority Mail only) _____ 9500 9402 1604 6362 0605 28</p>		<p>3. Service Type <input checked="" type="checkbox"/> Registered Mail <input type="checkbox"/> Insured Mail <input type="checkbox"/> <input type="checkbox"/> Certified Mail <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> <input type="checkbox"/> Certified Mail Return Receipt <input type="checkbox"/> <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/></p>	
<p>PG Form 3911, July 2015 PSN 75-90-02-00-00-00-00</p>		<p>Don't forget! Please check!</p>	

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 Domestic Mail Only

For delivery (Indemnification limit, purchase of insurance at www.usps.com)

MAIL TYPE **0705** **OFFICIAL USE** **0705**

POSTAGE **\$3.20** **\$2.20**
 RETURN RECEIPT **\$0.70**
 RETURN RECEIPT INSURANCE **\$0.00**
 INSURANCE (Maximum \$500) **\$0.00**
 ADDITIONAL POSTAGE REQUIRED **\$0.00**

POSTAGE PAID BY ADDRESSEE **\$1.73**

POSTAGE PAID PERMIT NO. 100 NEW YORK, NY

CHEVRON USA
 1000 S. MAIN ST
 NEW YORK, NY 10038-4000

06/27/2016

[illegible]

U.S. Postal Service®
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

1. **Recipient Information** (Mail our business) www.usps.com

2. **OFFICIAL USE**

3. **Postage and Fees**

Basic Postage	\$43.80	Rate	\$2.70
Priority Mail®		Rate	\$2.70
Registered Mail®		Rate	\$0.00
Insurance		Rate	\$0.00
Signature Confirmation		Rate	\$0.00
Return Receipt		Rate	\$0.00
Postage and Fees Total	\$43.80		

4. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

5. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

6. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

7. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

8. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

9. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

10. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

11. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

12. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

13. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

14. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

15. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

16. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

17. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

18. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

19. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

20. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

21. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

22. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

23. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

24. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

25. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

26. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

27. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

28. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

29. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

30. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

31. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

32. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

33. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

34. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

35. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

36. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

37. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

38. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

39. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

40. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

41. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

42. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

43. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

44. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

45. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

46. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

47. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

48. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

49. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

50. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

51. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

52. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

53. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

54. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

55. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

56. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

57. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

58. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

59. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

60. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

61. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

62. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

63. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

64. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

65. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

66. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

67. **Postage and Fees**

Postage and Fees Total	\$43.80
------------------------	---------

68. **Postage and Fees**

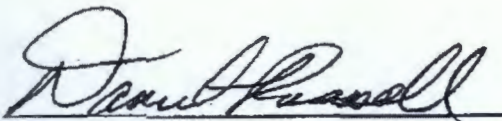
Postage and Fees Total

Affidavit of Publication

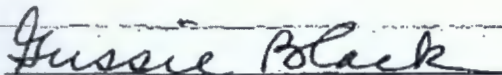
STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 09, 2016
and ending with the issue dated
July 09, 2016.


Publisher

Sworn and subscribed to before me this
9th day of July 2016.


Business Manager

My commission expires

January 29, 2019

(Seal)



OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico

My Commission Expires

1-29-19

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said



67113711

00177068

PRESTON STEIN
DELAWARE ENERGY, LLC
3001 W. LOOP 250 N
SUITE C-105-318
MIDLAND, TX 79705



C-108 Review Checklist: Received 6/28 Add Request: 6/28 Reply Date: 7/13 Suspended: _____ (Ver 15)

ORDER TYPE: WFX / PMX / WFO Number: _____ Order Date: _____ Legacy Permits/Orders: _____

Well No. 1 Well Name(s): AZTEC State

API: 30-0 2524412 Spud Date: 07/14/1973 New or Old: 0-30 (UIC Class II Primacy 03/07/1982)

Footages 1650 FNL 1980 FNL Lot: _____ or Unit G Sec 16 Tsp 24S Rge 3SE County LEA

General Location: 2.10 miles NW JAI Pool: SLD, DEUMIC Pool No.: 96101

BLM 100K Map: JAI Operator: Delaware Energy, LLC OGR/D: 371195 Contact: Preston Stein

COMPLIANCE RULE 5.9: Total Wells: 0 Inactive: 0 Finl Assur: OK Compl. Order? N/A IS 5.9 OK? Y Date: 8-9-2016

WELL FILE REVIEWED ☐ Current Status: P&A

WELL DIAGRAMS: NEW: Proposed ☐ or RE-ENTER: Before Conv. ☐ Alter Conv. ☐ Logs in Imaging: 2501471334 2016 7/14/2016

Planned Rehab Work to Well: Run 5 1/2" casing & Circulate to surface. C-13 LSAFAC-

Well Construction Details		Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement 5 or C1	Cement Top and Determination Method
Planned ___ or Existing ___ Surface		20" / 16"	420	475	Surface / Visual
Planned ___ or Existing ___ Intern/Prod		13 3/4" / 10 3/4"	5262	1600	3000' / Calculated
Planned ___ or Existing ___ Intern/Prod		9 7/8" / 6 5/8"	12312	550	4965
Planned ___ or Existing ___ Prod/Liner		6 3/4" / 5 1/2"	16700	2100	Surface / Visual
Planned ___ or Existing ___ Liner					
Planned ___ or Existing ___ OH / PERF		16770	17770	Inj Length: 100'	

Injection Lithostratigraphic Units	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.		MS	1660	Drilled TD: 17430 PBDT
Confining Unit: Litho. Struc. Por.		WD	1660	NEW TD: 17770 NEW PBDT
Proposed Inj Interval TOP:		DV	16770	NEW Open Hole <input checked="" type="radio"/> or NEW Perfs <input type="radio"/>
Proposed Inj Interval BOTTOM:				Tubing Size: 3 1/2" in. Inter Coated?
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth: 16670 ft
Adjacent Unit: Litho. Struc. Por.				Min. Packer Depth: 16670 (100-ft limit)
				Proposed Max. Surface Press: 3354 psi
				Admin. Inj. Press: 3354 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P MA Noticed? ☒ BLM Sec Ord ☐ WIPP ☐ Noticed? ☐ Salt/Salado T: 350 B: 350 NW: Cliff House fm _____

FRESH WATER: Aquifer 3000' Quaternary Max Depth 300' HYDRO AFFIRM STATEMENT By Qualified Person ☐

NMOSE Basin: CAPITAN CAPITAN REEF: thru adj NA No. Wells within 1-Mile Radius? _____ FW Analysis _____

Disposal Fluid: Formation Source(s) Delaware, Bone Springs, etc. Analysis? ☒ On Lease ☐ Operator Only ☐ or Commercial ☒

Disposal Int: Inject Rate (Avg/Max BWPD): 50/40 Protectable Waters? ☒ Source: _____ System: Closed ☐ or Open ☒

HC Potential: Producing Interval? MA Formerly Producing? _____ Method: Logs/DST/P&A/Other _____ 2-Mile Radius Pool Map ☐

AOR Wells: 1/2-M Radius Map? ☒ Well List? MA Total No. Wells _____ Penetrating Interval: 0 Horizontals? 0

Penetrating Wells: No. Active Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

Penetrating Wells: No. P&A Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

NOTICE: Newspaper Date 7-20-16 Mineral Owner NMSLO Surface Owner NMSLO N. Date 7-16-2011

RULE 26.7(A): Identified Tracts? ☒ Affected Persons: Chevron, Energen N. Date 6-22-2016

Order Conditions: Issues: Operator shall run 5 1/2" Liner to surface & Circulate

Add Order Cond: _____