

DATE IN 10/24/2016	SUSPENSE	ENGINEER	LOGGED IN 10/24/2016	TYPE SWD 1660	APP NO. 1630053861
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ABOVE THIS LINE FOR DIVISION USE ONLY

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 _____

SWD 1660
 - Del Norte
 Gomez SWD #1
 (30-015-pending)
 Devonian

[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

[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

Print or Type Name

Preston Stein
 Signature

Vice-President

Title

10/10/2016

Date

preston@delawareenergyllc.com
 e-mail Address

Delaware Energy, LLC
Application for Injection/SWD
Gomez SWD #1

UL N, Sec. 9, T-24-S, R-28-E, 1,139' FSL & 1,479' FWL, Eddy Co., NM

October 10, 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 Bone Springs Formation Water Sample from T25S, R28E, Eddy Co., NM
6. Chemical Analysis of Wolfcamp Formation Water Sample from T26S, R29E, Eddy Co., NM
7. Chemical Analysis of Delaware Formation Water Sample from T23S, R28E, Eddy Co., NM
8. Wellbore diagram of Gomez SWD #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. Average depth to fresh water per State Engineers Website
11. Water Well Samples:
 - a. Sec. 15, T24S, R28E
 - b. Sec. 16, T24S, R28E
 - c. Sec. 10, T24S, R28E
12. 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
13. 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
14. Legal Notice that will be run as required in the Carlsbad Current-Argus
15. Formation Tops

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 re-injected 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: Preston Stein DATE: 10/10/2016
E-MAIL ADDRESS: Prestonms@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.

Side 1

OPERATOR: Delaware Energy LLC

WELL NAME & NUMBER: Gomez SWD No1

WELL LOCATION: 1,139' FSL, 1,479' FWL N 9 24S 28E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8"

Cemented with: 700 sx. or ft³

Top of Cement: SURFACE Method Determined: Circulated
Total Depth: 700'

Intermediate Casing (N/A)

Hole Size: 12-1/4" Casing Size: 9-5/8"

Cemented with: 1,150 sx. or ft³

Top of Cement: Surface Method Determined: Circulated
Total Depth: 2,500'

Production Casing*

Hole Size: 8.75" Casing Size: 7"

Cemented with: 2,200 sx. or ft³

Top of Cement: surface Method Determined: Circulated

Total Depth: 13,650'

Injection Interval (Open Hole)

13,650' to 14,650'

INJECTION WELL DATA SHEET

Tubing Size: 4.5" Lining Material: Internally plastic coated

Type of Packer: Weatherford Arrow Set 1X Injection Packer (Nickel Plated)

Packer Setting Depth: 50-100ft above open hole

Other Type of Tubing/Casing Seal (if applicable): NONE

Additional Data

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

N/A.

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: Delaware 2,568'-6,162', Bone Spring 6,162'-9,500', Wolfcamp 9,500'-11,032', Strawn 11,032'-11,274', Atoka 11,274'-11,930', Morrow 11,930'-13,225'

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

¹ API Number 30-015-	² Pool Code Undesignated	³ Pool Name SWD; Devonian
⁴ Property Code	⁵ Property Name Gomez SWD	⁶ Well Number 1
⁷ OGRID No. 371195	⁸ Operator Name Delaware Energy, LLC	⁹ Elevation

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	24 S	28 E		1,139'	South	1,479'	West	Eddy

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
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16			
			<p>17 OPERATOR CERTIFICATION</p> <p><i>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 unleased 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 heretofore entered by the division.</i></p>
			<p>Signature _____ Date _____</p>
			<p><u>Preston Stein</u> Printed Name</p>
			<p><u>Prestonms@delawareenergyllc.com</u> E-mail Address</p>
			<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p>
			<p>Date of Survey _____</p>
			<p>Signature and Seal of Professional Surveyor: _____</p>
			<p>WAITING ON SIGNED PLAT</p>
			<p>Certificate Number _____</p>

1,479'

1,139'

Gomez SWD No 1
1,139' FSL & 1,479' FWL, UL N, SEC. 9, T-24S R-28E, Eddy County, NM
API # 30-015-

4.5" IPC tubing to 13,600'
12.6#/ft L-80 premium threads

20" Conductor @ 80'

700'

17-1/2" Hole
13-3/8", 48# J-55 STC @ 700'
700 sx cmt, will circulate

2,500'
2,550'

12-1/4" Hole
9-5/8" 36# J-55 LTC to 2,500 ft
1,150 sx plan to circulate

13,650'

Proposed packer @ 13,600' Weatherford Arrow Se

8-3/4" Hole
7" 26# P-110 BTC to 13,650'
2,200sx plan to circulate

14,650' Total Depth

6.125" Hole Open Hole

Additional Questions on C-108

VII.

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

Average 5,000-10,000 BWPD, Max 17,500 BWPD

2. Whether the system is open or closed;

Open System, Commercial SWD

3. Proposed average and maximum injection pressure;

Average 400-1,000 PSI, Max 2,730 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 these produced water types and the Devonian. Devonian formation is used as a disposal interval in offset Townships 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. No Devonian receiving formation water samples in the surrounding area.

***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 13,650'-14,650'. Devonian is an impermeable Shale at the very top (13,550', Woodford Shale) followed by permeable lime and dolomite. There are no fresh water zones underlying the proposed injection zone. Usable water depth is from surface to +/-300', the water source is older alluvium (Quaternary). All of the fresh water wells in the area have an average depth to water of 30' - 100' (Based on State Engineers Office).

IX. Describe the proposed stimulation program, if any.

20,000 gallons 15% HCL acid job with packer

X. Attach appropriate logging and test data on the well

Logs will be filed following drilling operations. See attached log of the Devonian interval from the nearby Cigarillo SWD No 1 (No offset Devonian logs are available).

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.

Attached are water samples from section 10, 15, and 16 of Township 24 South, Range 28 East.

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 Gomez SWD No 1 and have found no evidence of faults or other hydrologic connections between the Devonian disposal zone and the underground sources of drinking water. Furthermore, there exist many impermeable intervals between the injection interval and the fresh ground water in the 13,650' feet of lithology between the top of the Devonian and the base of the ground water.

Preston Stein	Vice-President	10/10/2016
Title	Date	

III. WELL DATA

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

Gomez SWD No 1, Sec. 9-T24S-R28E, 1,139' FSL & 1,479' FWL, UL N, Eddy 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
13-3/8"	700'	700	17-1/2"	Surface	CIRC
9-5/8"	2,500'	1,150	12-1/4"	Surface	CIRC
7"	13,650'	2200	8-3/4"	Surface	CIRC

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

4-1/2" 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 Formation

Pool Name: SWD (Devonian)

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

13,650' to 14,650' (OH)

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

Well is a planned new drill for SWD

(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.

None, well is a planned new drill

(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: Delaware 2,568'-6,162', Bone Spring 6,162'-9,500', Wolfcamp 9,500'-11,032', Strawn 11,032'-11,274', Atoka 11,274'-11,930', Morrow 11,930'-13,225'

Next Lower: None

Sec 22, T25S, R28E

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(808) 228-8121
Lab Team Leader - Shella Hernandez
(432) 495-7240

Bone Spring

Water Analysis Report by Baker Petrolite

Company:		Sales RDT:	33514.1
Region:	PERMIAN BASIN	Account Manager:	TONY HERNANDEZ (575) 910-7135
Area:	ARTESIA, NM	Sample #:	534665
Lease/Platform:	PINOCHLE 'BPN' STATE COM	Analysis ID #:	106795
Entity (or well #):	2 H	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 534665 @ 75 F					
Sampling Date:	03/10/11	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	03/18/11	Chloride:	109818.0	3091.92	Sodium:	79275.7	3058.82
Analyst:	SANDRA GOMEZ	Bicarbonate:	2135.0	34.99	Magnesium:	195.0	18.04
TDS (mg/l or g/m3):	184911.1	Carbonate:	0.0	0.	Calcium:	844.0	42.12
Density (g/cm3, tonne/m3):	1.113	Sulfate:	747.0	15.55	Strontium:	220.0	5.02
Anion/Cation Ratio:	1	Phosphate:			Barium:	0.8	0.01
		Borate:			Iron:	6.5	0.23
		Silicate:			Potassium:	869.0	22.22
Carbon Dioxide:	0.50 PPM	Hydrogen Sulfide:		0 PPM	Aluminum:		
Oxygen:		pH at time of sampling:		7	Chromium:		
Comments:		pH at time of analysis:			Copper:		
		pH used in Calculation:		7	Lead:		
					Manganese:	0.100	0.
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	1.08	188.52	-1.20	0.00	-1.18	0.00	-0.11	0.00	0.56	0.29	1.72
100	0	1.10	206.05	-1.29	0.00	-1.20	0.00	-0.15	0.00	0.35	0.29	2.35
120	0	1.12	224.17	-1.38	0.00	-1.19	0.00	-0.17	0.00	0.16	0.00	3.17
140	0	1.13	243.17	-1.42	0.00	-1.18	0.00	-0.18	0.00	0.00	0.00	4.21

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

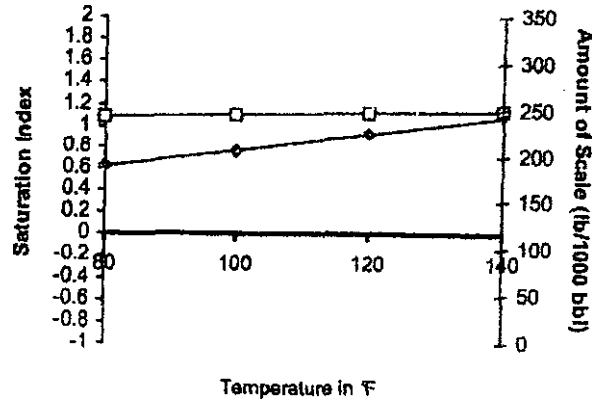
Note 3: The reported CO₂ pressure is actually the calculated CO₂ fugacity. It is usually nearly the same as the CO₂ partial pressure.

Scale Predictions from Baker Petrolite

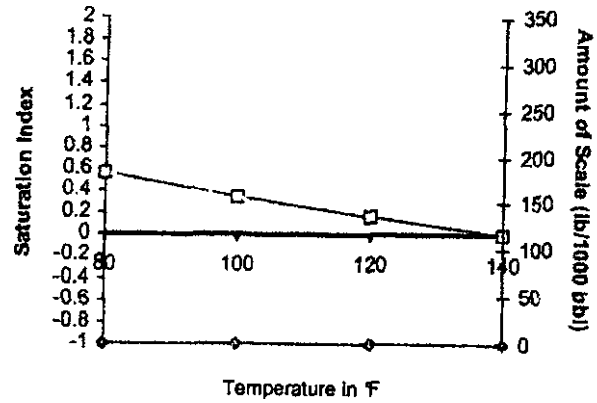
Analysis of Sample 534665 @ 75 °F for

03/18/11

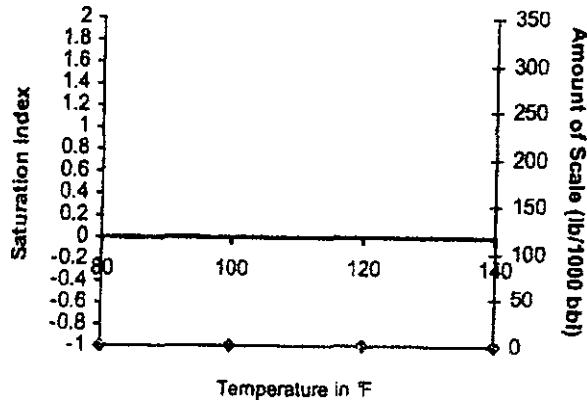
Calcite - CaCO_3



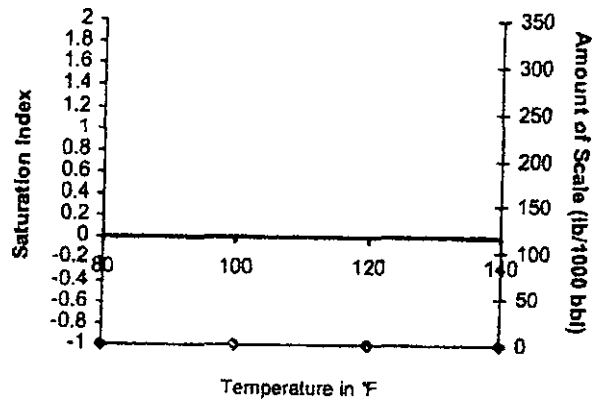
Barite - BaSO_4



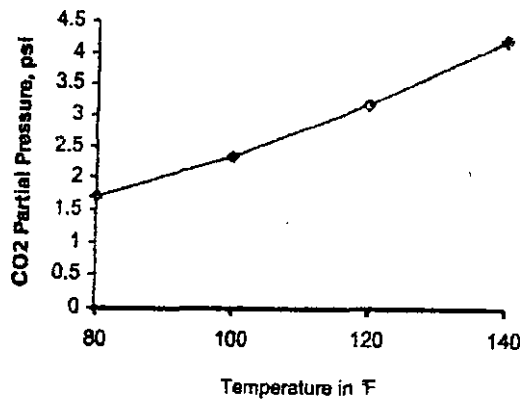
Gypsum - $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$



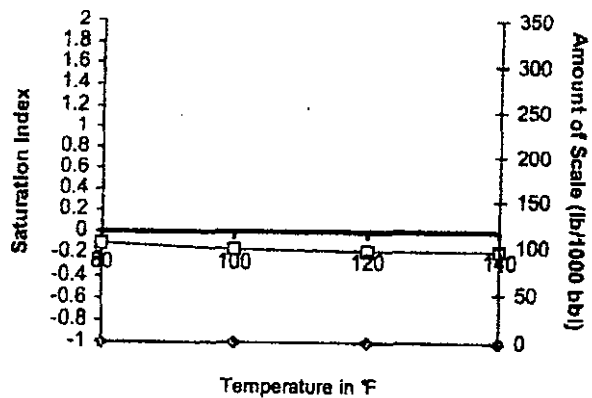
Anhydrite - CaSO_4



Carbon Dioxide Partial Pressure



Celestite - SrSO_4



Wolfcamp



Water Analysis

Date: 23-Aug-11

2708 West County Road, Hobbs NM 88240

Phone (575) 392-5556 Fax (575) 392-7307

Analyzed For

Brushy Draw 1#1

Company	Well Name	County	State
	BD	Lea	New Mexico

Sample Source

Swab Sample

Sample #

1

Formation

Depth

Specific Gravity	1.170	SG @ 60 °F	1.172
pH	6.30	Sulfides	Absent
Temperature (°F)	70	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	77,962	in PPM	66,520
Calcium	in Mg/L	4,000	in PPM	3,413
Magnesium	in Mg/L	1,200	in PPM	1,024
Soluble Iron (FE2)	in Mg/L	10.0	in PPM	9

Anions

Chlorides	in Mg/L	130,000	in PPM	110,922
Sulfates	in Mg/L	250	in PPM	213
Bicarbonates	in Mg/L	127	in PPM	108

Total Hardness (as CaCO3)	in Mg/L	15,000	in PPM	12,799
Total Dissolved Solids (Calc)	in Mg/L	213,549	in PPM	182,209
Equivalent NaCl Concentration	in Mg/L	182,868	in PPM	156,031

Scaling Tendencies

*Calcium Carbonate Index 507,520

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index 1,000,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks RW=.048@70F

Report # 3188

Sec 16, T23S. R 28E



PRODUCTION DEPARTMENT

MILLER CHEMICALS, INC.

Post Office Box 298
Artesia, N.M. 88211-0298
(505) 746-1919 Artesia Office
(505) 392-2893 Hobbs Office
(505) 746-1918 Fax
mci@plateautel.net

Delaware Brushy Canyon

WATER ANALYSIS REPORT

Company :
Address :
Lease : LOVING "AIB"
Well : #15
Sample Pt. : WELLHEAD

Date : MARCH 17, 2008
Date Sampled : MARCH 17, 2008
Analysis No. :

ANALYSIS		mg/L	* meq/L
1. pH	6.0		
2. H2S	0		
3. Specific Gravity	1.070		
4. Total Dissolved Solids		304684.9	
5. Suspended Solids		NR	
6. Dissolved Oxygen		NR	
7. Dissolved CO2		NR	
8. Oil In Water		NR	
9. Phenolphthalein Alkalinity (CaCO3)			
10. Methyl Orange Alkalinity (CaCO3)			
11. Bicarbonate	HCO3	927.0	HCO3 15.2
12. Chloride	Cl	187440.0	Cl 5287.4
13. Sulfate	SO4	500.0	SO4 10.4
14. Calcium	Ca	37200.0	Ca 1856.3
15. Magnesium	Mg	996.3	Mg 82.0
16. Sodium (calculated)	Na	77586.6	Na 3374.8
17. Iron	Fe	35.0	
18. Barium	Ba	NR	
19. Strontium	Sr	NR	
20. Total Hardness (CaCO3)		97000.0	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
1856 *Ca <----- *HCO3 15	Ca (HCO3)2	81.0	15.2 1231
/----->	CaSO4	68.1	10.4 709
82 *Mg <----- *SO4 10	CaCl2	55.5	1830.7 101584
<-----/	Mg (HCO3)2	73.2	
3375 *Na <----- *Cl 5287	MgSO4	60.2	
<-----/	MgCl2	47.6	82.0 3902
Saturation Values Dist. Water 20 C	NaHCO3	84.0	
CaCO3 13 mg/L	Na2SO4	71.0	
CaSO4 * 2H2O 2090 mg/L	NaCl	58.4	3374.8 197223
BaSO4 2.4 mg/L			

REMARKS:



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
closed) (quarters are 1=NW 2=NE 3=SW 4=SE)
(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
C 00573		ED		2	2	4	04	24S	28E	586188	3568087*	250	35	215
C 02306	C	ED		3	2	04	24S	28E	585690	3568382*	75	25	50	

Average Depth to Water: 30 feet

Minimum Depth: 25 feet

Maximum Depth: 35 feet

Record Count: 2

PLSS Search:

Section(s): 4

Township: 24S

Range: 28E

*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.

10/6/16 6:02 AM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER



New Mexico Office of the State Engineer Water Column/Average Depth to Water

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(R=POD has
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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	Sub-Code	basin	County	Q	Q	Q	Sec	Tws	Range	X	Y	Depth Well	Depth Water	Water Column
C 03703 POD1	C	ED	1	2	1	09	24S	28E	585259	3567225	74	15	59	

Average Depth to Water: 15 feet

Minimum Depth: 15 feet

Maximum Depth: 15 feet

Record Count: 1

PLSS Search:

Section(s): 9

Township: 24S

Range: 28E

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New Mexico Office of the State Engineer Water Column/Average Depth to Water

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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	64	16	4	Sec	Tws	Ring	X	Y	Depth Well	Depth Water	Water Column
C 00361	C	C	ED	3	3	08	24S	28E	583283	3565926*	2575			
C 00406	C		ED	1	1	08	24S	28E	583270	3567142*	78	50	28	

Average Depth to Water: 50 feet

Minimum Depth: 50 feet

Maximum Depth: 50 feet

Record Count: 2

PLSS Search:

Section(s): 8

Township: 24S

Range: 28E

*UTM location was derived from PLSS - see Help

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New Mexico Office of the State Engineer Water Column/Average Depth to Water

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been replaced.
O=orphaned.

C=the file is closed) (quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Sub-		Q Q Q						X	Y	Depth Well	Depth Water	Water Column
	Code	basin	County	64	16	4	Sec	Tws					
<u>C 00570</u>	C	ED	1	1	10	24S	28E	586490	3567195*	100	28	72	
<u>C 00764</u>		ED	3	1	3	10	24S	28E	586399	3566292*	118	25	93
<u>C 00896</u>		ED	3	3	4	10	24S	28E	587211	3565897*	50		
<u>C 00962</u>	C	ED	3	3	10	24S	28E	586505	3565992*	63	9	54	
<u>C 01237</u>	C	ED	1	1	2	10	24S	28E	587197	3567298*	123		
<u>C 01442</u>	C	ED	1	2	10	24S	28E	587298	3567199*	100			
C 03604 POD1	CUB	ED	2	4	3	10	24S	28E	526534	3565712	38	24	14

Average Depth to Water: 21 feet

Minimum Depth: 9 feet

Maximum Depth: 28 feet

Record Count: 7

PLSS Search:

Section(s): 10

Township: 24S

Range: 28E

*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.

10/6/16 6:01 AM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER



New Mexico Office of the State Engineer Water Column/Average Depth to Water

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(R=POD has
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O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Sub-	Code	bas	In	County	64	16	4	Sec	Tws	Range	X	Y	Depth Well	Depth Water	Water Column
C 00513 S	C	ED	1	3	3	16	24S	28E	584802	3564432		161	42	119		
C 00709	C	ED	3	3	3	16	24S	28E	584802	3564232						
C 02836	C	ED	2	2	2	16	24S	28E	586203	3565676				15		
C 03824 POD1	CUB	ED	4	1	2	16	24S	28E	585770	3565578		290	60	230		

Average Depth to Water: 39 feet

Minimum Depth: 15 feet

Maximum Depth: 60 feet

Record Count: 4

PLSS Search:

Section(s): 16

Township: 24S

Range: 28E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/RSC 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.

10/6/16 6:01 AM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER



- ~ Home
- ~ Production Data ▶
- ~ Well Data ▶
- ~ NM Pricsheet
- ~ Water Data ▶
- ~ Projects ▶
- ~ Software ▶
- ~ Archive ▶
- ~ Other Links ▶
- ~ Help ▶

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Provides oil
U.S. EIA
Data
Likely to
show
Crude Oil
Stocks
Rise 2
Months
Earlier

Source: Oil
Prices

NYMEX LS Crude 49.17

Navajo WTI 0

Henry Hub 2.975

Update 10/4/2016

State Land Office Data Access

300 welllog image files

HWRC NM TECH NM-SGMP

☒ NM WAIDS

☒ Data

- ~ Produced Water
- ~ Ground Water
- ~ Conversion Tools

☒ Scale

- ~ Scale details
- ~ Stiff
- ~ Oddo
- ~ Probable Mineral Composition mix

☒ Corrosion

☒ Theory

- ~ Uniform

General Information About: Sample 7954

Section/ Township/Range	15 / 24S / 28E	Lat/Long	32.2174/-104.075
Elevation	3002.9	Depth	
Date Collected	8/20/1997 12:00:00 AM	Chlorides	308
Collector / Point of Collection	SEO/YT	Use	Domestic
Formation	OAL	TDS	



- ~ Home
- ~ Production Data ▶
- ~ Well Data ▶
- ~ NM Pricsheet
- ~ Water Data ▶
- ~ Projects ▶
- ~ Software ▶
- ~ Archive ▶
- ~ Other Links ▶
- ~ Help ▶

North
American Oil
and Gas
News

Renew
West
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new Chief
Executive
Officer

TGS
achieved
historic
seismic
milestone

Top
Energy
advisor
says
Trump to
boost US
oil supply

NYMEX LS Crude 49.17

Navajo WTXI 0

Henry Hub 2.975

updated 10/4/2016

State Land Office Data Access

OGD welllog image files

TSP
Global
Platts
Reviews of
U.S. EIA
Data
Likely to
show
Crude Oil
Exports
Along
Mexico
Border

PRRC NM TECH NM BOMR

Source: Oil
Voice

[-] NM WAIDS

[-] Data

- Produced Water
- Ground Water
- Conversion Tools

[-] Scale

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

[-] Corrosion

[-] Theory

- Uniform

General Information About: Sample 10516

Section/ Township/Range	16 / 24S / 28E	Lat/Long	32.2174/-104.0921
Elevation	3041	Depth	161
Date Collected	5/28/1981 12:00:00 AM	Chlorides	1039
Collector / Point of Collection	SEO/DP	Use	Irrigation Water
Formation	OAL	TDS	0



- ~ Home
- ~ Production Data ▶
- ~ Well Data ▶
- ~ NM Pricsheet
- ~ Water Data ▶
- ~ Projects ▶
- ~ Software ▶
- ~ Archive ▶
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- ~ Help

North
American Oil
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News

Geno
West
announces
new Chief
Executive
Officer

TGS
achieves
Mexico
Leasine
milestone

Tec
energy
achieves
50%
Trough to
burner up
of supply

USP
General
Platts
Provides of
U.S. EIA
Data.
Likely to
Show
Crude Oil
Stocks
Rise 2
450m
Barrels

Source: Oil
World

NYMEX LS Crude 46.17

Navajo WTXI 0

Henry Hub 2.975

Updated 10/4/2016

State Land Office Data Access

OGD welllog image files

PRRC NM-TECH NM-RQMR

GM-NM WAIDS

Data

- Produced Water
- Ground Water
- Conversion Tools

Scale

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

Corrosion

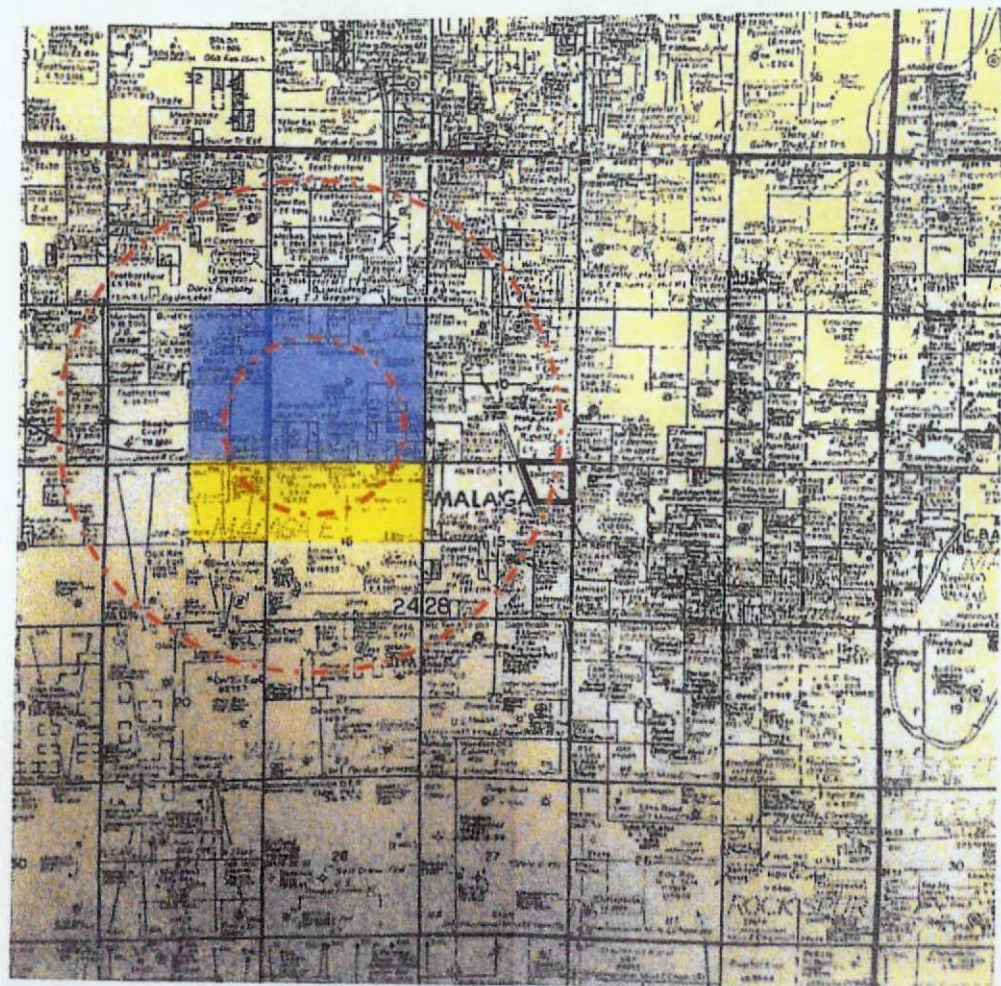
Theory

- Uniform

General Information About: Sample 8183

Section/ Township/Range	10 / 24S / 28E	Lat/Long	32.2319/-104.075
Elevation	3011	Depth	50
Date Collected	3/26/1992 12:00:00 AM	Chlorides	1480
Collector / Point of Collection	SEO/SBBLR	Use	Stock
Formation	OAL	TDS	0

Gomez SWD#1



Chevron
COG

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

October 10, 2016

Surface Owner / Offset Operators

Re: Notification of Application for Authorization to Inject
Gomez SWD No 1 Well

Ladies and Gentlemen:

Delaware Energy, LLC is seeking administrative approval to utilize the proposed Gomez SWD No 1 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>	Gomez SWD No 1
<u>Proposed Disposal Zone:</u>	Devonian Formation (from 13,650' - 14,650')
<u>Location:</u>	1,139' FSL & 1,479' FWL, Sec. 9, UL N, T24S, R28E, Eddy 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

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 proposed Gomez SWD No 1 (API – 30-015-XXXXX) as a Salt Water Disposal well.

The Gomez SWD No 1 will be located at 1,139' FSL and 1,479' FWL, Unit Letter N, Section 9, Township 24 South, Range 28 East, Eddy County, New Mexico. The well will dispose of water produced from oil and gas wells into the Devonian Formation from 13,650' to 14,650' at a maximum rate of 17,500 barrels of water per day at a maximum pressure of 2,730 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.

Gomez SWD No 1

API#: 30-015-

Location: Sec. 9, T-24S, R-28E, UL N

Formation Tops

Top of Salt	1,220'
Bottom of Salt	2,440'
Delaware	2,568'
Bone Spring	6,162'
Wolfcamp	9,500'
Strawn	11,032'
Atoka	11,274'
Morrow	11,930'
Mississippi	13,225'
Woodford Shale	13,550'
Devonian	13,650'

Delaware E Gomez in T/TV

English

Customer Service

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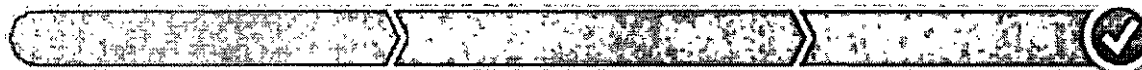
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Product & Tracking Information

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Features:

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Return Receipt

See tracking for related item: 9590940220826132431299

Available Actions

Text Updates



Email Updates



DATE & TIME	STATUS OF ITEM	LOCATION
October 31, 2016 , 12:17 pm	Delivered, Left with Individual	ARTESIA, NM 88210

Your item was delivered to an individual at the address at 12:17 pm on October 31, 2016 in ARTESIA, NM 88210.

October 30, 2016 , 3:45 am In Transit to Destination

October 28, 2016 , 10:32 pm Departed USPS Facility LUBBOCK, TX 79402

DATE & TIME	STATUS OF ITEM	LOCATION
October 28, 2016 , 6:58 pm	Arrived at USPS Facility	LUBBOCK, TX 79402
October 27, 2016 , 11:53 pm	Departed USPS Facility	MIDLAND, TX 79711
October 27, 2016 , 9:25 pm	Arrived at USPS Origin Facility	MIDLAND, TX 79711
October 27, 2016 , 4:53 pm	Acceptance	MIDLAND, TX 79707

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Tracking (or receipt) number

Track It

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LEGAL INFORMATION

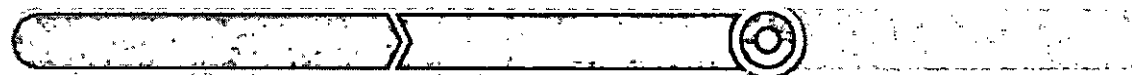
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11/1



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In-Transit

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Postal Product:
First-Class Mail®**Features:**

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Return Receipt

See tracking for related item: 9590952106150302942945

Available Actions

Text Updates



Email Updates



DATE & TIME	STATUS OF ITEM	LOCATION
October 25, 2016 , 10:20 am	Available for Pickup	LOVING, NM 88256

Your item arrived at the LOVING, NM 88256 post office at 10:20 am on October 25, 2016 and is ready for pickup.

October 25, 2016 , 10:17 am	Arrived at Unit	LOVING, NM 88256
October 24, 2016 , 10:55 pm	Arrived at USPS Facility	LUBBOCK, TX 79402

DATE & TIME	STATUS OF ITEM	LOCATION
October 24, 2016 , 1:42 pm	Arrived at USPS Facility	LOVINGTON, NM 88260
October 22, 2016 , 7:28 am	Available for Pickup	LOVINGTON, NM 88260
October 22, 2016 , 7:00 am	Sorting Complete	LOVING, NM 88256
October 21, 2016 , 10:36 pm	Departed USPS Facility	LUBBOCK, TX 79402
October 21, 2016 , 6:51 pm	Arrived at USPS Facility	LUBBOCK, TX 79402
October 20, 2016 , 11:46 pm	Departed USPS Facility	MIDLAND, TX 79711
October 20, 2016 , 9:25 pm	Arrived at USPS Origin Facility	MIDLAND, TX 79711
October 20, 2016 , 1:11 pm	Acceptance	MIDLAND, TX 79707

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Tracking (or receipt) number

Track It

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No tracking numbers necessary.

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Gomez SWD No 1
1,139' FSL & 1,479' FWL, UL N, SEC. 9, T-24S R-28E, Eddy County, NM
API # 30-015-

4.5" IPC tubing to 13,600'
12.6#/ft L-80 premium threads

20" Conductor @ 80'

700'

17-1/2" Hole
13-3/8", 48# J-55 STC @ 700'
700 sx cmt, will circulate

2,500'

12-1/4" Hole
9-5/8" 36# J-55 LTC to 2,500 ft
1,150 sx plan to circulate

13,650'

Proposed packer @ 13,600' Weatherford Arrow

8-3/4" Hole
7" 26# P-110 BTC to 13,650'
2,200sx plan to circulate

14,650' Total Depth

6.125" Hole Open Hole

Affidavit of Publication

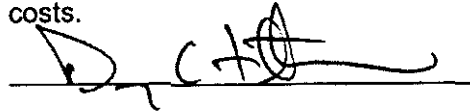
State of New Mexico,
County of Eddy, ss.

Danny Fletcher, being first duly
sworn, on oath says:

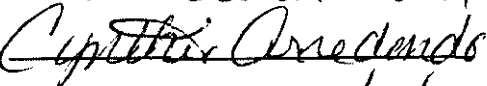
That he is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county; that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published; that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit:

October 27 2016

That the cost of publication is **\$66.82**
and that payment thereof has been
made and will be assessed as court
costs.

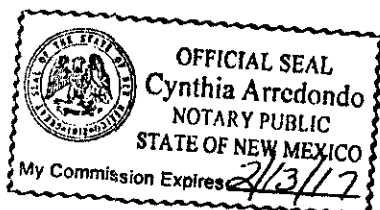


Subscribed and sworn to before me
this 28 day of October, 2016



My commission Expires 2/13/17

Notary Public



October 27, 2016

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 proposed Gomez SWD No 1 (API - 30-015-XXXX) as a Salt Water Disposal well.

The Gomez SWD No 1 will be located at 1,139' FSL and 1,479' FWL, Unit Letter N, Section 9, Township 24 South, Range 28 East, Eddy County, New Mexico. The well will dispose of water produced from oil and gas wells into the Devonian Formation from 13,650' to 14,650' at a maximum rate of 17,500 barrels of water per day at a maximum pressure of 2,730 psi.

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.

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

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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.99

Total Postage and Fees \$7.99

Sent To
 Concho
 Street and Apt. No., or PO Box No.
 600 W. Illinois Ave.
 City, State, ZIP+4®
 Midland, TX 79701

PS Form 3800, April 2015 PSN 7530-02-000-9034 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Concho
 600 W. Illinois Ave
 Midland, TX 79701
 (GOMEZ SWD #1)

9590 9402 2082 6132 2541 26

2. Article Number (Transfer from service label)

7016 1370 0000 6294 6776

PS Form 3811, July 2015 PSN 7530-02-000-9033

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent ☐ Address
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation® |
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Domestic Return Receipt

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<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.99

Total Postage and Fees \$7.99

Sent To
 NM OGD
 Street and Apt. No., or PO Box No.
 1220 South St. Francis Drive
 City, State, ZIP+4®
 Santa Fe, NM 87505

PS Form 3800, April 2015 PSN 7530-02-000-9034 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

NM Oil Conservation Division
 1220 South St. Francis Dr
 Santa Fe, NM 87505
 (GOMEZ SWD)

9590 9402 2082 6132 2541 04

2. Article Number (Transfer from service label)

7016 1370 0000 6294 6943

PS Form 3811, July 2015 PSN 7530-02-000-9033

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent ☐ Address
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation® |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

Domestic Return Receipt

7016 1370 0000 0267 9700

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

For delivery information, visit our website at www.usps.com®.

HOUSTON, TX 77002

OFFICIAL USE

Certified Mail Fee \$3.30
Extra Services & Fees (check box, add fee to postage)
☐ Return Receipt (hardcopy) \$0.00
☐ Return Receipt (electronic) \$0.00
☐ Certified Mail Restricted Delivery \$0.00
☐ Adult Signature Required \$0.00
☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.99

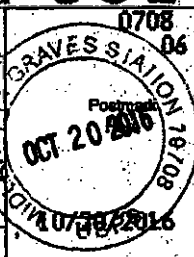
Total Postage and Fees \$7.99

Sent To

Chevron
1400 Smith Street
Houston TX 77002

GOMEZ SWD1

PS Form 3800, April 2015 PSN 7530-02-000-9017 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron
1400 Smith Street
Houston TX 77002
(GOMEZ SWD #1)

9590 9402 2082 6132 2541 33

2. Article #

701

PS Form 3800, April 2015 PSN 7530-02-000-9017

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

B. Received by (Printed Name)

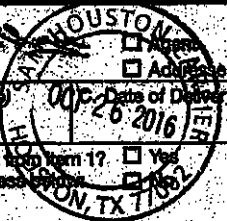
D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise

Domestic Return Receipt



7016 1370 0000 0267 9700

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

For delivery information, visit our website at www.usps.com®.

ARTISTAS NM 88256

OFFICIAL USE

Certified Mail Fee \$3.30
Extra Services & Fees (check box, add fee to postage)
☐ Return Receipt (hardcopy) \$0.00
☐ Return Receipt (electronic) \$0.00
☐ Certified Mail Restricted Delivery \$0.00
☐ Adult Signature Required \$0.00
☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.99

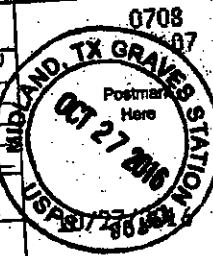
Total Postage and Fees \$7.99

Sent To

NM OGD
811 S. 34th St
Albuquerque, NM 88220 (Chomez)

PS Form 3800, April 2015 PSN 7530-02-000-9017

See Reverse for Instructions



7016 1370 0000 0267 9700

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

For delivery information, visit our website at www.usps.com®.

LOVING NM 88256

OFFICIAL USE

Certified Mail Fee \$3.30
Extra Services & Fees (check box, add fee to postage)
☐ Return Receipt (hardcopy) \$0.00
☐ Return Receipt (electronic) \$0.00
☐ Certified Mail Restricted Delivery \$0.00
☐ Adult Signature Required \$0.00
☐ Adult Signature Restricted Delivery \$0.00

Postage \$1.99

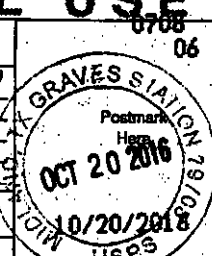
Total Postage and Fees \$7.99

Sent To

Hector Gomez
PO Box 125
Lovington NM 88256

PS Form 3800, April 2015 PSN 7530-02-000-9017

See Reverse for Instructions



McMillan, Michael, EMNRD

From: Preston Stein <preston@delawareenergyllc.com>
Sent: Monday, November 21, 2016 1:49 PM
To: McMillan, Michael, EMNRD
Subject: RE: Gomez SWD Well No. 1suspended application

Yes sir. We obtained a surface use agreement from him several months ago.

Best Regards,

Preston M. Stein
Vice President
Delaware Energy, LLC
3001 W. Loop 250 N
Suite C-105-318
Midland, TX 79705
(214) 558-1371

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From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Monday, November 21, 2016 2:44 PM
To: Preston Stein <preston@delawareenergyllc.com>
Subject: RE: Gomez SWD Well No. 1suspended application

Is Hector Gomez the surface owner?
Mike

From: Preston Stein [mailto:preston@delawareenergyllc.com]
Sent: Friday, November 4, 2016 1:59 PM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: RE: Gomez SWD Well No. 1suspended application

Mike,

This one should be much better. Sorry about quality on initial.

Best Regards,

Preston M. Stein
Vice President
Delaware Energy, LLC
3001 W. Loop 250 N
Suite C-105-318



C-108 Review Checklist: Received 10/24/2016 Add. Request: 10/26/2016 Reply Date: 11/4/2016 Suspended: 10/26/2016 [Ver 15]

ORDER TYPE: WFX / PMX / SWD Number: 1660 Order Date: _____ Legacy Permits/Orders: _____

Well No. 1 Well Name(s): GOMEZ SUD#1

API: 30-0 15-Pending Spud Date: TBB New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 1139 FSL 1475 FSL Lot _____ or Unit Nsec 9 Tsp 245 Rge 28E County EDDY

General Location: 2 1/2 mile SW Malinga Pool: SUD's DEVENIAN Pool No.: 96101

BLM 100K Map: CARLSBAD Operator: ENERGY, LLC OGRID: 371195 Contact: Preston Steingrub

COMPLIANCE RULE 5.9: Total Wells: 0 Inactive: 0 Fincl Assur OK Compl. Order? N/A IS 5.9 OK? _____ Date: _____

WELL FILE REVIEWED ☐ Current Status: Proposed

WELL DIAGRAMS: NEW: Proposed ☒ or RE-ENTER: Before Conv. ☐ After Conv. ☐ Logs in Imaging: N/A

Planned Rehab Work to Well: _____

Well Construction Details		Sizes (in)	Setting	Cement	Cement Top and Determination Method
		Borehole / Pipe	Depths (ft)	Sx or Cf	
Planned ___ or Existing ___ Surface	<u>17 1/2 / 13 3/8</u>	<u>700</u>	Stage Tool	<u>700</u>	<u>SURFLL / VISUAL</u>
Planned ___ or Existing ___ Interm/Prod	<u>12 1/4 / 9 5/8</u>	<u>2400</u>		<u>1150</u>	<u>SURFLL / VISUAL</u>
Planned ___ or Existing ___ Interm/Prod	<u>8 3/4 / 7</u>	<u>13650</u>		<u>2200</u>	<u>SURFLL / VISUAL</u>
Planned ___ or Existing ___ Prod/Liner					
Planned ___ or Existing ___ Liner					
Planned ___ or Existing ___ OH/ PERF	<u>13650</u>		Inj Length <u>1000'</u>		
Injection Lithostratigraphic Units:				Completion/Operation Details:	
Depths (ft)		Injection or Confining Units		Tops	
Adjacent Unit: Litho. Struc. Por.		<u>MS</u>		<u>13225</u>	
Confining Unit: Litho. Struc. Por.		<u>DU</u>		<u>13650</u>	
Proposed Inj Interval TOP:				<u>13650</u>	
Proposed Inj Interval BOTTOM:				<u>14650</u>	
Confining Unit: Litho. Struc. Por.					
Adjacent Unit: Litho. Struc. Por.					
Drilled TD <u>14650</u> PBTD _____					
NEW TD _____ NEW PBTD _____					
NEW Open Hole <input checked="" type="radio"/> or NEW Perfs <input type="radio"/>					
Tubing Size <u>4 1/2</u> in. Inter Coated? <input checked="" type="checkbox"/>					
Proposed Packer Depth <u>13600</u> ft					
Min. Packer Depth <u>13800</u> (100-ft limit)					
Proposed Max. Surface Press <u>2730</u> psi					
Admin. Inj. Press. <u>2730</u> (0.2 psi per ft)					
AOR: Hydrologic and Geologic Information					
POTASH: R-111-P <u>N/A</u> Noticed? _____ BLM Sec Ord <input type="radio"/> WIPP <input type="radio"/> Noticed? _____ Salt/Salado <u>(1200)</u> B: <u>2400</u> NW: <u>Cliff House fm</u> <u>DOFFS</u>					
FRESH WATER: Aquifer <u>2200' 99</u> Max Depth <u>2400</u> HYDRO AFFIRM STATEMENT By Qualified Person <input checked="" type="checkbox"/>					
NMOSE Basin: <u>Carlsbad</u> CAPITAN REEF: thru adj <u>NA</u> No. Wells within 1-Mile Radius? <u>3</u> FW Analysis <input checked="" type="checkbox"/>					
Disposal Fluid: Formation Source(s) <u>WOLF CAMP, DEVENIAN</u> Analysis? <input checked="" type="checkbox"/> On Lease <input type="radio"/> Operator Only <input type="radio"/> or Commercial <input checked="" type="radio"/>					
Disposal Int: Inject Rate (Avg/Max BWPD) <u>10/100</u> Protectable Waters? _____ Source: _____ System: Closed <input type="radio"/> or Open <input checked="" type="radio"/>					
HC Potential: Producing Interval? <u>N/A</u> Formerly Producing? _____ Method: Logs/DST/P&A/Other <u>regional</u> 2-Mile Radius Pool Map <input type="radio"/>					
AOR Wells: 1/2-M Radius Map? <u>NA</u> Well List? _____ Total No. Wells Penetrating Interval: <u>0</u> Horizontals? _____					
Penetrating Wells: No. Active Wells <u>0</u> Num Repairs? _____ on which well(s)? _____ Diagrams? _____					
Penetrating Wells: No. P&A Wells <u>0</u> Num Repairs? _____ on which well(s)? _____ Diagrams? _____					
NOTICE: Newspaper Date <u>10-27-2016</u> Mineral Owner _____ Surface Owner <u>Preston Steingrub</u> N. Date <u>10-20-2016</u>					
RULE 26.7(A): Identified Tracts? <input checked="" type="checkbox"/> Affected Persons: <u>Chevron, COG</u> N. Date <u>10-27-2016</u>					

Order Conditions: Issues: SEE Below

Add Order Cond: _____

✓ DD & shall run the 9 5/8" casing thru salt & f