District 1 1625 N French Dr., Hobbs, NM 88240	State of New Mexico	Form C-101 Revised July 18, 2013
Phone (575) 393-6161 Fax (575) 393-0720 District 11	Energy Minerals and Natural Reso	urces
811 5 First St., Artesia, NM 88210 Phone (\$75) 748-1283 Fax (\$75) 748-9720	Oil Conservation Division	NM OIL CONSERVATION REPORT
District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone (505) 334-6178 Fax (505) 334-6170	1220 South St. Francis Dr.	ARTESIA DISTRICT
District IV 1220 S St Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax (505) 478-3462	Santa Fe, NM 87505	MAY 2 2 2018

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACECERNED A ZONE OGRID Number Operator Name and Address 371195 DELAWARE ENERGY, LLC 405 N. MARIENFELD, SUITE 250 API Number 30-015-10842 MIDLAND, TX 79707 Well No. Property Name PARDUE 31 COM SWD Property Code 50 1 7. Surface Location E/W Line County Feet from N/S Line Feet From Range Lot Idn UL - Lot Township Section EDDY S 1980 W 990 31 23 S 28 E N * Proposed Bottom Hole Location County E/W Line Lot Idn Feet from N/S Line Feet From UL - Lot Section Township Range

⁹ Pool Information Pool Code Pool Name 96101 SWD; DEVONIAN **Additional Well Information** 14 Lease Type 15 Ground Level Elevation * Cable/Rotary Work Type Well Type 3 184'

E	S	ROTARY	Р	3,184
* Multiple	⁸⁷ Proposed Depth	^{8#} Formation	19 Contractor	²¹¹ Spud Date
N	13,900'	DEVONIAN	TBD	4/15/2018
Depth to Ground water		n nearest fresh water well	Distance to n	earest surface water

We will be using a closed-loop system in lieu of lined pits

^{21.} Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
SURFACE	17.5"	13.375"	54.5	500'	450	0'
INTER	12.25"	9.625"	47	9.000'	2500	0'
PROD	8.5"	7.625	39	12.900'	650	0'

Casing/Cement Program: Additional Comments

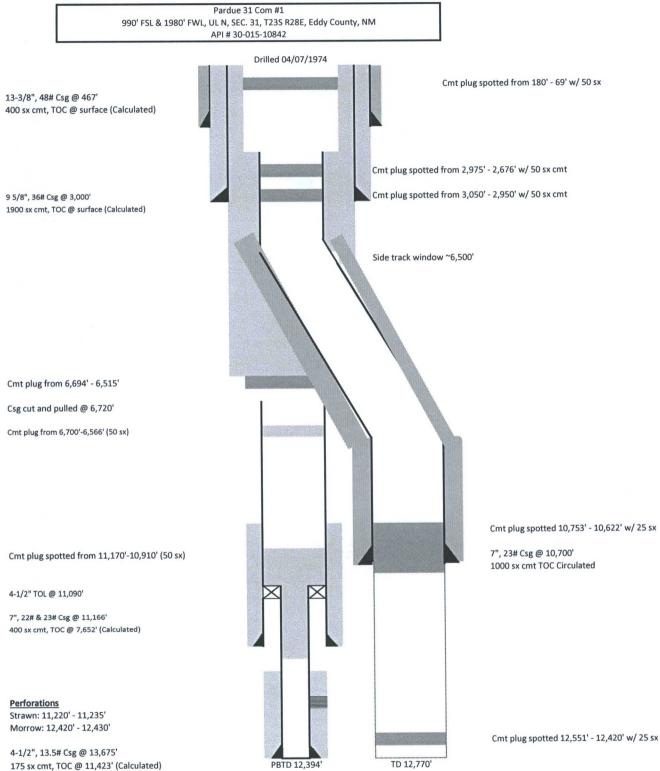
22. Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
DOUBLE RAM	5000	5000	CAMERON

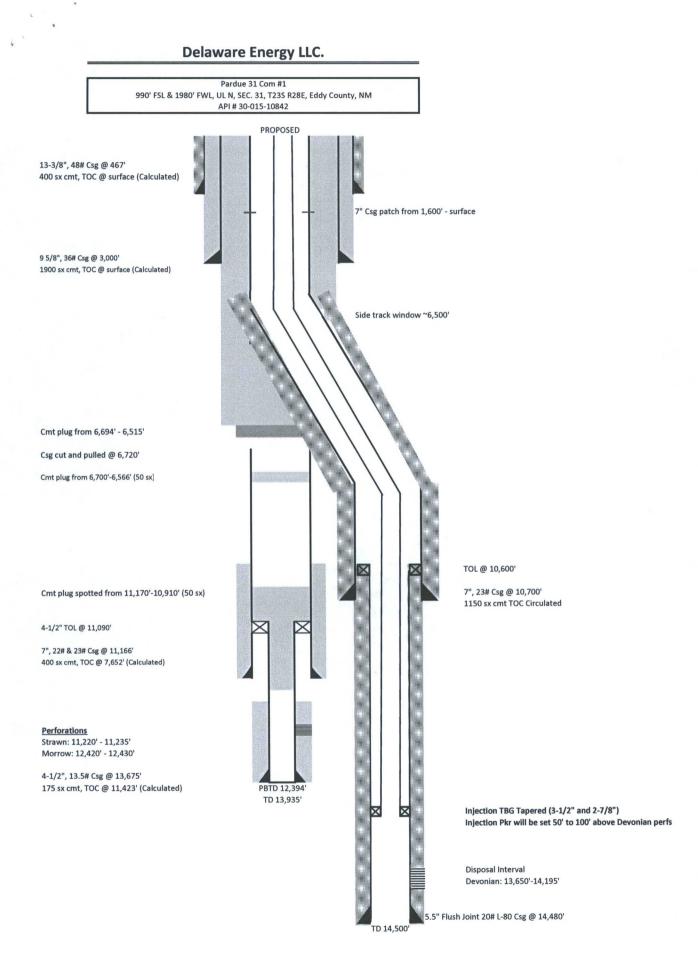
^{23.} I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (BLNMAC , if applicable Signature:	Approved By: Kusty Klein
Printed name SARAH PRESLEY	Title: Approved Date: 5-22-18 Expiration Date: 5-22-2020
E-mail Address: S. PRESLEY@DELAWAREENERGY.COM	
Date: 3.19.2018 Phone: 432-685-7005 CBL for 5" line reguled prior to installing Backer Jo appropriate District OCD	Conditions of Approval Attached fellowing the drill out and / taking Set. Furnish Copys Office. kp

5-22.2018

Delaware Energy LLC.



PBTD 12,394' TD 13,935'



PROCEDURE FOR RE-ENTRY AND COMPLETION:

. . .

- R/U WORK OVER UNIT, DRILL OUT SURFACE PLUG FROM 0-188'. TEST CASING TO 500 PSI. DRILL OUT CEMENT PLUGS AT 2,676' AND 2,930' AND CLEAN OUT TO PBTD OF 10,622'. TEST CASING TO 500 PSI AND HOLD FOR 30 MINUTES, RECORD TEST.
- 2. R/U WIRE LINE AND RUN CEMENT BOND LOG FROM 10,622' TO 1,600' AND DETERMINE TOP OF CEMENT IN 7" BY 9-5/8" ANNULUS
- 3. DRESS OFF 7" STUB IN PREPARATION FOR 7" CASING PATCH.
- 4. IF CEMENT TOP IS DETERMINED TO BE WITHIN 50FT FROM 7" CASING STUB, SHOOT SQUEEZZE HOLES AT CEMENT TOP PRIOR TO RUNNING CASING PATCH. SQUEEZE HOLES WILL BE USED TO CIRCULATE CEMENT FOLLOWING INSTALLATION OF CASING PATCH
- RUN CASING PATCH AND CEMENT 7" BY 9-5/8" ANNULUS TO SURFACE. TEST CASING TO 500 PSI AND HOLD FOR 30 MINUTES, RECORD TEST.
- 6. CONTINUE DEEPENING, CLEAN OUT TO 12,70' AND DEEPEN TO DEVONIAN TO A DEPTH OF 14,500'. RUN 5" LINER FROM 14,500' TO 16,600', AND CEMENT LINER TOP.