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52 Form 3160-3 (August 2007)		OCD Hobbs		OMB N	APPROVED o. 1004-0137 July 31, 2010		•
UNITED STATES DEPARTMENT OF THE			nOBBS	Expires J DCD ease Serial No. SWD-1394 NMNN			
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Amended APPLICATION FOR PERMIT TO	DRILL O			013 If Indian, Allotee			
la. Type of work: DRILL REENT	ER	R	ECEIVED			e and No.	2)
lb. Type of Well: 🚺 Oil Well 🔲 Gas Well 🖌 Other	Si	ingle Zone 🔲 Multi	ple Zone	8. Lease Name and Brininstool 25 Fede		4001	9
2. Name of Operator				9. API Well No.	_∧- G ₩ ₩	0	7-
Delaware Water Company, LLC	<2	404847		30-025-37582		-025-	7/3
Ba. Address P.O. Box 1244). (include area gode)		10. Field and Pool, or		८९४	St
Jal, NM 88252		75-626-4528		SWD; Bell Canyon	·····		
Location of Well (Report location clearly and in accordance with an		nents.*)		11. Sec., T. R. M. or B		y or Area	
At surface 1980' FNL & 660' FEL Unit L	t			Sec. 25, T23S-R33	3E		
At proposed prod. zone 1980' FNL & 660' FEL							
 Distance in miles and direction from nearest town or post office* 19 miles west of Jai, NM 				12. County or Parish Lea Co.	N	3. State	
5. Distance from proposed* location to nearest 660' west of section line	16. No. of a	acres in lease	17. Spacin	g Unit dedicated to this	well		
property or lease line, ft.	64	0		NA			
(Also to nearest drig. unit line, if any)	19. Propose	dDepth	20 BI M/I	BIA Bond No. on file			
 B. Distance from proposed location* 990' to south to nearest well, drilling, completed, applied for, on this lease, ft. 	Clean-out	-	ZU. DEIVI	sia bona no, on me			
Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approxi	mate date work will sta	ut*	23. Estimated duratio	n		
3626 GL 3652 KB	06/01/201	13		15days			
the following, completed in accordance with the requirements of Onsho Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office).		 Bond to cover t Item 20 above). Operator certifi 	the operation	is form: ns unless covered by an prmation and/or plans as	5	, ,	
Signature KAY HAVENOT		(Printed/Typed) Havenor			Date 03/25/20	13	ŗ
tle							
Agent					•		
pproved by (Signature) /s/George MacDonell	Name	(Printed/Typed)			Date AUG	19 201	13
tle FIELD MANAGER	Office	;	CARLSE	AD FIELD OFFICE	l E		
pplication approval does not warrant or certify that the applicant hold	ls legal or equi	itable title to those right	nts in the sub	ject lease which would e	entitle the app	licant to	
nduct operations thereon. onditions of approval, if any, are attached.				AL FOR TWO			
tle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a c ates any false, fictitious or fraudulent statements or representations as	rime for any p to any matter v	erson knowingly and within its jurisdiction.	willfully to m	nake to any department of	or agency of	the United	
Continued on page 2) SWD-1364 Carlsbad Controlled Water Basin		K	D Ghy	*(Inst	ructions o	n page 2)	
		0	0[0	Approval Subjec & Special S	t to Gener Stipulation	ral Requirer is Attached	ment: I
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CONDITIONS OF APPROVAL

AUG 2 6 2013 2m

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

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1-mile AOR Brininstool 25 Federal #1

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

Present Configuration of Brininstool 25 Federal #1 Well

WELLBORE SCHEMATIC CHESAPEAKE OPERATING, INC

 WELL
 : BRININSTOOL 25 FEDERAL #1

 FIELD
 : BELL LAKE (MORROW) GRAMA RIDGE PROJECT AREA

 COUNTY
 : LEA

 STATE
 : NM

 LOCATION
 : 1,980' FNL & 660' FEL, SEC. 25-23S-33E

 ELEVATION
 : GL 3,626'

 KB
 3,652'

 RIG RE

	ÀPI#:	30-025-37582
SPUD	DATE:	1/29/06
RIG REL.	DATE:	3/27/06

WELL HISTORY HOLE SIZE COMPLETION: COMPLETION: SPORDS: Pickle Ibg wi SPC guist 15% HCL, displace note wi 150 bbts PNKCL wv. FBTD gj 14,000. SPILZQS: Pert Morrow CC gj 13,838-847 wi 4 spi, 25 holes. Spol 200 gaist 7.5% HCL wi 200 GPT methanol, 4 GPT (ron control GPT sech corrison binbible), surface bancies reducers a home.BMUL. Acc Markow CC wi 200 gaist spil + 1,000 gaist 7,5%, drop 35 balts. Huan wi 54 bbts. 7% KCL wr. Dates. Spol 200 gaist 7,5%, drop 35 balts. Huan Wi 54 bbts. 7% KCL wr. Dates. Spol 200 gaist 7,5%, bold, wi 10 bbt 7% KCL Ac ds wi 1,000 gaist 7,5% Morrow soid, thurch 60 balts, Rush wi 5 bbts 7% KCL wr. Dates. Spol 200 gaist 7,5% bold, wi 10 bbt 7% KCL Ac ds wi 1,000 gaist 7,5% Morrow soid, thurch 60 balts, Rush wi 5 bbts 7% KCL wr. Dates. Spol 200 gaist 7,5% bold, wi 10 bbt 7% KCL Ac ds wi 1,000 gaist 7,5% Morrow soid, thurch 60 balts, Rush wi 5 bbts 7% KCL wr. Data action, Open on 166% (Rus 67 BW Vi 77 hrs. 4 BW last ha, 4864°, FTP Soid wit 2 acting as 11500 200 gaist 15% HCL wold wit 2 acting as 12502 Spit. Park Balterian, 1000 gaist 12 MM Morrow soid, drop 55 201 gaist 15% HCL wold with 2, wr. 10 balt action, 0 5002dG; Set CIBP gj 13,423°, wr 1 ss cmt. Part Atoking 15,688. 014, 13,116-130, 13,243-292°, pmt 2,000 gaist 15% Netre state much, mi 1,000 gaist 75% HCP and high. Act wr. 10,100 has 2,200 gaist 15% Netre state who. Acce gaist 10,100 gaist 15% Netre state much, mi 1,000 gaist 75% HCP and high. Acce parks gj 3,316 high 7,1136 holes, 1592dBit 25 bits 10 BPM (JT ,5000 gaist 15% Netre state much, mi 1,000 gaist 75% Netre state Mig. Acce gaist gj 7,1136 holes, 1,200 gaist 15% Netre state BPM (JT ,5000 gaist 20% UB/BM HCP acce, bits 1592dBit 25 bits 10, 8700 gaist 55% HCP action bits park 3,200 gaist 15% Netre state BPM (JT ,5000 gaist 25% HCP action bits part, Acce garts gj 1598Bits, 15% Netre state BPM (JT ,5000 gaist 20% UB/BM (JT ,5000 gaist 75% HCP action) 1592bats 25% HCP and 5,000 gaist 25% UB/BM (JT ,5000 gaist 75% HCP acce, dot, hot by participation. 1592Bits 15% HCP and Perf 4 holes @ 70", circ 40 ex down "4-1/2" cag to 7" cag to surface." 17 1/2 rf (() 915', aqad 50 ax cmt. Tagged (() 779'. . . astor that she was a Perf @ 2.170", soud 50 sk emt. Taggod @ 1.976" 12-%* TOC @ 4.500' (Est) top perforation. <u>1973103</u>: Actic Aloka w/5,000 gels 20% L/8/agel acid, drop 143 bolis, fusin w/ 75 bola 75% KCL, <u>5113003</u>: Sel C IBP og 13,540, w/ 2 ak C/M. <u>5113003</u>: Sel C IBP og 13,540, w/ 2 ak C/M. <u>511403</u>: Perf Atobe og 12,733-782, 12,791-756¹, w/ 2 ak¹, 74 8-0/1.407.1443.1745.1443.155.40.5.727 Crist: Lead w11,400 Intern® "C" + 0.22ppp Poceer, 11.9 prop & 2.45.940. Tail w1270 sp Premium Plus + 1% CaC12, 14.8 ppp 1 1.34 ytd. Chr. 188 sc to suffere. SILLING: Perf Atobs © 12,733,725,727,71759F, w/2 spt, 74 Notes, SILLING: Perf Atobs © 12,733,725,727,71759F, w/2 spt, 74 Notes, SILLING: Actis w/3,000 gais 15% NeFe acti, drop 90 Lio-bass, nd S08 Action, ang iate 5 (8PM, ang PS1 7,700a, mar PS1 8,483, First gais Aales 014006, 1um over to production, P: 2018 5 EO, 3 RW, 142 MCF, FTP 500e, SILLING: Serven w, 72,000 gais 15% NeFe in tags, 3,4,4,4 DPM @ 5,7009, 65009, 05506, 6600e, 18(DP 400023 a min 4+998, 10 Min 44300, 18 min 43548, and aret 36 Merf and 19 stags, 34,4,4 DPM @ 5,7009, 65009, 05506, 6600e, 18(DP 400023 a min 4+998, 10 Min 44300, 18 min 43548, and aret 36 BPM, ang PS1 85008, SILLING: Actis Stawn w/4 (000 gais 15% NeFe 10CL, 20 bbit Nto Actif 90 hand down to logi, (ef Dx, in 0.12 gais 100 MCF 200 backs, SILLING: Found 14 colling hash, Set RUP @ 12,527, Acdts Strewn w/4 4000 gais 15% NeFe MCL in 1 slagt 100 TRT 2nd senetrys to Strewn 3, 35 DFM. ElliDD3: Turn to sales fine on 3764*, 0 to 200 McCFPQ, SILLING: Found 14 colling hash, Set RUP @ 12,527, Acdts Strewn w/4 4000 gais 15% NeFe MCL in 1 slagt 100 TRT 2nd senetrys to Strewn 5, 355 DFM. ElliDD3: Turn to sales fine on 3764*, 0 to 200 McCFPQ, SILLING: Found 14 colling hash 31,355 with 57 and 10 min/hirry 100 bais, (m) had Bacteon, hash with 42 bbit of 2% KCL. Total total to SILLING: Colling 11,985-13,015 with stre and turn/hirry 100 bais, (m) had Bacteon, hash with 2 bbit of 2% KCL. Total total to SILLING5: Colling 11,985° - 11,355° with stre and 15 80 - 90 BUN, 120,1025; RHI to 11,972*, hierd bound in X-hipple, ICCCH 121,1025; Coll with SICFS - 11,355° with stre and. Perfa Dome Spring @ 11,045° - 11,355° with stre and. Perfa Dome Spring 0 11,045° - 11,355° with stre 2 do BS. Sold bortwage of balls, Fluxt to perfs senato, 0 DO, 113 HW 113,1955; Coll Hall SICFS - 11,355° with stre 2 do BS. Sold bortwage 0 Halls, Fluxt to perfs senato, 0 DO, 110,000T and dry senato min this perfs senato, 0 DO, 110,000T and dry snabe hort mer 7 Hus 873406 (EB 10,080° - 40; em) mer 1 Hus 873406 (EB 10,080° - 40; em) mer いちもくくろう ELS CLEV Perf 5.220', sead witto sx, reported tog @ 5,700' (SiC) 8-3/4 Ċ OV Tool @ 1,992 Per f @ 8042', syad 60 se cmt. Toggod @ 7.836'. 计推动问题 Perf 4 holes 8.826', sque 60 sy cmt. Tagged @ 8.676'. ALC: NO TOC @ 10,380 (CBL) CIBP 10,001' +40' cmt Pert Bane Spiring (\$ 11,046-11,155' will sapt, (22 hotes) CIBP (6 11,850' will san of cmt on plug Pert Wollcamp (\$ 11,583-12,016' will 4 spt, (73 hotes) Pert Strawn (\$ 12,407-864' will sapt, (111 hotes) CIBP (\$ 12,703' will sat cmt Pert Atoks (\$ 12,763-198' will sapt, (74 hotes) 1000 壽 ġ= SAN ARA SHELD P Sec. 1 = Ē 亖 .= -CILIP @ 17,840" w/ 2 s.s emt 7.7/8 Part Aloka @ 12,998-13,397, (34 w/ 2 spt (128 holes) GIGP @ 12,425' w/ 1 sz cmt Upper Morrow Peris @ 13,472-477' vi 2 spt Mórrow "A" Peris @ 13,853-655' CA wi 2 spt (\$2 holes) = Ē = GIDP (0 13,710" w 20" cm) 6-1/8 <u>.</u> Morrow "8" Perts @ 13,738-745" DA wi 4 spt (29 holes) J. 2. 208 Patto LTC Int 2 Gas (2) 11 90P Grow 1 " Stags will 640 UX Permitten Besin Super (HT + 15% CAP 1. 4% CFR-3. 256(C)-Alf 2000. 4% (H-1 + 10 Bell, 15.1 980 8 4.8 ytd, 2nd Stage lead will 600 gais Super Flush 101 + 100 as Thirotopic + 150 as interfill (HT + 423 as interfill 77 + 1.254 as Florosit, Tail vil 600 as 77 (Net). CIBP @ 13,800 w/ 10' cmt Norrow "C" Farts @ 13,936-842' w/ 4 spf (35 noies) T 4.5" 13.55.9-510 LTC, Hurd, San (2) 14.930" Grati wi 275 az Premium "F" + .5% Halad 344, .3% EFR-2, .3% Super CBL, .55% HR-7, 15,6 pop. 1.15 yk). . ź TD @ 14.030 PBTD @ 14.000

Proposed Re-entry and SWD Completion Diagram



Delaware Water Co., LLC <u>RE-ENTRY PROGRAM</u>

Brininstool 25 Federal #1 API: 30-025-37582 Sec. 25, T23S-R33E Lea Co., NM

Supplemental to Form 3160-3, Application for Permit to Re-enter the subject well, Delaware Water Company, LLC.submits the following information as per Bureau of Land Management requirements.

1. Geologic Name of Surface Formation

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Surface is Quaternary eolian and piedmont deposits (Qep) Holocene to middle Pleistocene. (New Mexico Bureau of Geology and Mineral Resources, 2003, Geologic Map of New Mexico, 1:500,000)

Soil map with legend. Source: http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx



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

2. Formation Tops and Estimated Fresh Water:

The of geologic markers and estimated depths at which anticipated water, oil or gas formations are expected to be encountered as follows: Sonic log tops in this well.

B/Alluvium	130'	Est: potable water, if present, approx 80'.
Rustler	860'	
Salado	1,182'	
Top main salt	3,520'	
Base of salt	5,080'	
Lamar limestone	5,152'	
Bell Canyon	5,184'	
Cherry Canyon	6,008'	
Brushy Canyon	7,487'	Note: PB TD will be 7,530' KB
Bone Springs	8,725'	

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas.

None of the above formations were found to be commercially productive of oil or gas, or are depleted, in the disposal interval of this well or other wells in the NM OCD area of review above the Brushy Canyon. No fresh water wells are known in the NM OCD 1-1/2-mile area of review, none would be expected beneath the Alluvium, however, potential shallow sands are protected by 13-3/8" casing set at 865' and cement circulated to the surface.

Hole Size	Depths	Section	OD Casin g	New/ Used	Wt	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17½"	0' - 865'	Surface	133⁄8	New	48#	STC	H-40	1.125	1.125	1.6
12¼"	0' - 5127'	Intmd	95⁄8"	New	40#	LTC	J-55	1.125	1.125	1.6
83/4"	0' - 11908'	Intmd	7"	New	26#	LTC	P-110	1.125	1.125	1.6
61⁄8"	0' - 14030'	Production	4½"	New	13.5#	LTC	P-110	1.125	1.125	1.6

4. **Casing:** NOW in hole. **No casing pulled**. Casing was new on installation.

5. Cement Program:

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New cementing is not needed or required in this re-entry. Original P&A- no casing pulled.

The following cementing data derived from Chesapeake Operating Co. 3160-5 reports filled with BLM:

13-% 48# H-40 Cmt'd w/150 sx Thixet, 14 ppg, 1.5 yield, 280 sx Light + additives, 12.7 ppg, 1.89 yield, tailin w/340 sx Premium Plus Class C + additives, 14.8 ppg, 1.35 yield. Temp survey TOC 340'. Tagged annulus cmt @230', top out w/250 sx Clas Prem Plus Cl, C+add., 14.8 ppg, 1.34 yield. Performed: 1/31/2006. OCD well file p. 32.

9-5%" Cmt'd w/1480 sx Class C, 11.9 ppg, 2.45 yield, tail in w/220 sx Prem Plus, 14.8 ppg, 1.32 yield. Performed 2/6/2006.. OCD well file p. 33.

7" Cmt'd w/640 sx Permian Basin Super "H" + .5% LAP 1, .4% CFR-3, 25# D-AIR 3000, .4% HR-7 + 1# salt, 13.2 ppg, 1.6 yield. Circ 226 sx cmt to pit. Cmt'd 2^{nd} stage w/500 gal SuperFlush 101 + 100 sx Thixotropic + 150 sx Interfill "H" +425 sx Interfill "H" + .25# sx Flocele, tail-in w/100 sx "H" Neat. Performed 3/1/2006. OCD well file p. 37.

4-1/2" Cmt'd w/275 sx Permian "H" + additives, 15.6 ppg, 1.19 yield. Performed 3/27/2006. OCD well file p. 38. No additional information is available as to cement properties.

Note additional perfs and squeezed zones on original P&A and recompletion diagrams pages 5 & 6, above.

6. Minimum Specifications for Pressure Control Equipment: Souloff

Nipple-up for re-entry through $4-\frac{1}{2}$ " csg with annular preventer tested to 50% of rating working pressure by independent tester and the rest of the 3M system tested to 2000 psi. DO surface plug and tag cmt plug @779'. Test csg to 1000 psi. DO cmt plug and tag cmt plug @1,150'. Test csg to 1,000 psi. DO cmt plug and tag cmt plug @1,976'. Test csg to 1,500 psi. DO cmt plug and tag plug @4,474'. Test csg to 1,500 psi. DO cmt plug and tag plug @4,474'. Test csg to 1,500 psi. DO cmt plug and tag plug @4,474'. Test csg to 1,500 psi. DO cmt plug and tag plug @7,836'. Test csg to 1,500 psi. In the event any of the pressure tests fail the respective original perf interval will be identified and re-sqzd w/minimum of 50 sx Class "C" cmt, WOC minimum 18 hrs then retested.

Pipe rams will be operationally checked each 24 hour period. Blind rans will be operationally checked on each trip out of the hole. These checks will be noted in the daily tour sheets. A 2" kill line and a minimum 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

7. Estimated BHP:

On original P&A Chesapeake perforated @8,042' through $4\frac{1}{2}"$ casing and 7" intermediate (below 7" casing's DV tool @7,992') and squeezed w/80 sx cement. That plug was tagged in $4\frac{1}{2}"$ at 7,836'. An additional 25 sx of Class "C" neat cement will be spotted at that depth to bring PBTD to 7,530'. Delaware Water's deepest cleaned-out depth will have an estimated BHP 3,313 psi.

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

8. Drilling Mud:

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Depth	Mud Wt.	Viscosity	Fluid Loss	Type Mud
0 - 7,836'	8.4 - 8.5	30 - 32	NC	Fresh water

Fresh water will be used for the re-entry mud system, approximately 0.431 lbs/ft or greater. The necessary mud products for weight addition and/or fluid loss control, if required, will be utilized. The mud system will be monitored visually during re-entry operations.

9. Auxiliary Well Control and Monitoring Equipment:.

a: Drill stem tests will not be taken.

b. No open hole logs will be run because the hole is cased and has been logged. Logs are on file with the NM OCD.

10. Testing, Logging and Coring Program:

a. No drill stem tests or open hole logging can be performed because the hole is cased.

11. Potential Hazards:

COTI

a. No abnormal pressures or temperatures are expected. No H_2S is known in this area. If H_2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. No H_2S is anticipated to be encountered due to cemented casing.

12. Anticipated starting date and Duration of Operations:

a. Road and location upgrading, as may be necessary, will begin after the BLM has approved the APD. Anticipated re-entry will be as soon s possible after BLM approval and as soon as qualified WO unit or drilling rig is available. Move-in operations and re-entry is expected to take 20 days.

Addendum: Non-productive zones

Many wells in the greater surrounding area have tested, completed in and/or depleted the upper Ramsey of the Bell Canyon in the AOR, including the drill site acreage. Numerous deeper wells have drilled, evaluated and/or tested the sub-Ramsey/Olds of the Bell Canyon, and the underlying Cherry Canyon in the greater area, but have been unable to demonstrate production or commercial potential. The subject re-entry was an exploratory test well for the above zones and down into the Morrow. This well did not report shows or commercial potential below the Lamar or above the Wolfcamp. This re-entry for SWD will isolate the underlying Brushy Canyon, although no shows are reported from wells in this area.

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





API 30-025-37582

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



3M Choke Manifold Equipment

API 30-025-37582

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

Design Plan Operating and Maintenance Plan Closure Plan

Brininstool 25 Federal #1 SHL & BHL: 1980 FNL & 660 FEL Sec. 25, T23S-R33E, Lea Co. NM

Delaware Water Company, LLC will be using all above ground steel pits for fluid and cuttings while drilling/re-entering. If any tank develops a leak we will have immediate visual discovery, we would then transfer the fluid to another tank then remove any contaminated soil and dispose of it in the cutting bins for transportation. All leaks should be kept to less than 5 barrels. Rig crews will monitor the tanks at all times.

Equipment List:

2 - Roll Off Bins2 - 500 Bbl Frac Tanks

During drilling operations all liquids, drilling fluids and cuttings will be hauled-off to CRI (Controlled Recovery Inc.) Permit R-9166 or any other approved facility.

Note: Operator will utilize a WO Unit for re=entry. With a WO Unit it is expected to be shut down at night. The drill pipe will be pulled to surface and the well will be shut-in with BOP/BOPE listed above and locked-down. A pressure gauge on the wellhead will allow observing any pressure buildups overnight.