| District I                                  | State of New Mexico                     | Form C-101                            |
|---|---|---------------------------------------|
| 1625 N. French Dr., Hobbs, NM 88240         |   | Revised July 18, 2013                 |
| Phone: (575) 393-6161 Fax: (575) 393-0720   | En and Minerals and Material Data       |                                       |
| District II                                 | <b>Energy Minerals and Natural Reso</b> | urces                                 |
| '811 S. First St., Artesia, NM 88210        |   |                                       |
| Phone: (575) 748-1283 Fax. (575) 748-9720   | Oil Conservation Division               | AMENDED REPORT                        |
| District III                                | on conservation preision                | · · · · · · · · · · · · · · · · · · · |
| 1000 Rio Brazos Road, Aztec, NM 87410       |   | HOBBS OCD                             |
| Phone (505) 334-6178 Fax: (505) 334-6170    | 1220 South St. Francis Dr.              |                                       |
| District IV                                 |   | ,                                     |
| 1220 S. St. Francis Dr., Santa Fe, NM 87505 | Santa Fe, NM 87505                      | ILINE 9 Q. DOLO                       |
| Phone: (505) 476-3460 Fax: (505) 476-3462   |   | JUN 222018                            |
|   |   |                                       |

| APPLI    | CATIC     | N FOR    | PERMIT T      | O DRILL,         | RE-ENTER                                  | R, DEEPEN  | , PLUCESC | EDREDD                    | A ZONE     |
|----------|-----------|----------|---------------|------------------|---|------------|-----------|---------------------------|------------|
|          |           |          | Operator Name | and Address      |   |            |           | <sup>2</sup> OGRID Number | r i        |
|          |           |          | DELAWARE EN   | ERGY, LLC        |   |            |           | 371195                    |            |
|          |           |          | 405 N. MARIEN | · ·              | 50  |            | 20        | 25- 44                    | 910        |
|          |           |          | MIDLAND, TX   | 79707            |   |            | 20-0      | 23- 44                    | ///        |
| 32       | erty Code |          |               |                  | <sup>2</sup> Property Name<br>CHAPMAN SWD |            |           | • Wel                     | l No.<br>1 |
|          | • •       |          |               | <sup>7.</sup> Si | urface Location                           | n          |           |                           |            |
| UL - Lot | Section   | Township | Range         | Lot Idn          | Feet from                                 | N/S Line   | Feet From | E/W Line                  | County     |
| 0        | 10        | 25 S     | 36 E          |                  | 440                                       | S          | 1398      | Е                         | LEA        |
|          |           |          |               | * Propos         | ed Bottom Hol                             | e Location |           |                           |            |
| UL - Lot | Section   | Township | Range         | Lot Idn          | Feet from                                 | N/S Line   | Feet From | E/W Line                  | County     |
|          |           |          |               |                  |   |            |           |                           |            |
|          |           |          |               |                  |   |            |           |                           |            |
|          |           |          |               | <sup>9.</sup> P  | ool Informatio                            | 1          |           |                           |            |
|          |           |          |               |                  | Name                                      |            |           |                           | Pool Code  |
|          |           |          |               | SWD;             | DEVONIAN                                  |            |           |                           | 96101      |

|                         | AC                            | Iditional Well Information |                          |                                       |
|-------------------------|-------------------------------|----------------------------|--------------------------|---------------------------------------|
| <sup>11</sup> Work Type | <sup>12.</sup> Well Type      | 13. Cable/Rotary           | <sup>14</sup> Lease Type | <sup>15.</sup> Ground Level Elevation |
| N                       | S                             | ROTARY                     | Р                        | 3,125'                                |
| <sup>16</sup> Multiple  | <sup>17.</sup> Proposed Depth | <sup>18</sup> Formation    | <sup>19</sup> Contractor | <sup>20</sup> Spud Date               |
| Ν                       | 14,145'                       | DEVONIAN                   | TBD                      | 7/1/2018                              |
| Depth to Ground water   | Distance from                 | nearest fresh water well   | Distance to r            | nearest surface water                 |

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

#### <sup>21.</sup> 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                | 1,350'             | 1300            | 0'                                    |
| INTER   | 12.25"    | 9.625"      | 47                  | 9,645'             | 2500            | 0'                                    |
| PROD    | 8.5"      | 7.625       | 39                  | 9,445' - 13,145"   | 650             | 0'                                    |
|         |           | Casin       | g/Cement Program: A | dditional Comments |                 | · · · · · · · · · · · · · · · · · · · |

## 22. Proposed Blowout Prevention Program

| Туре       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| DOUBLE RAM | 5000             | 5000          | CAMERON      |

| <sup>23.</sup> 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 (B) NMAC 🔀, if applicable.                | Approved By:                                     |  |  |
| Signature Carrie Puro   | Stand  |  |  |
| Printed name: SARAH PRESLEY   | Title:   |  |  |
| Title: OPERATIONS MANAGER   | Approved Date: 68/17/18 Expiration Date.08/17/20 |  |  |
| E-mail Address: S. PRESLEY@DELAWAREENERGY.COM   |  |  |  |
| Date: 6,19,2018 Phone: 432-685-7005   | Conditions of Approval Attached                  |  |  |

See Attached **Conditions of Approval** 

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### CONDITIONS OF APPROVAL

| API #        | Operator             | Well name & Number |
|--------------|----------------------|--------------------|
| 30-025-44954 | DELAWARE ENERGY, LLC | CHAPMAN SWD # 001  |

Applicable conditions of approval marked with XXXXXX

# Administrative Orders Required

| XXXXXXX | XXXXXXX Will require administrative order for SWD prior to placing the well on injection |  |
|---------|--|--|
|         |  |  |

### Other wells

Drilling

| XXXXXXX | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
|---------|--|
| ·····   |  |

# Casing

| SURFACE CASING - Cement must circulate to surface  |
|--|
| INTERMEDIATE CASING - Cement must circulate to surface   |
| PRODUCTION CASING - Cement must circulate to surface   |
| If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| South Area   |
| Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water         |
| -  |

#### Pits

| XXXXXXX | If using a pit for drilling and completions, must have an approved pit form prior to spudding the well |
|---------|--|
|         |  |
|         |  |

## **Completion & Production**

.

| XXXXXXX | Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 102 |
|---------|--|
| XXXXXXX | Must conduct MIT prior to any injection                                      |
|         |  |