

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



March 28, 2014

Mr. Clay Wilson
Mesquite SWD, Inc.
P. O. Box 1479
Carlsbad, NM 88221

RE: Cancellation of Authority - Administrative Order CA-1

Authority: Administrative Order SWD-1275; Injection Authority under
19.15.26.8E. NMAC

Cedar Lake 35 State Com. Well No. 1 API 30-015-30405
Unit K, Sec 36, T17S, R30E, NMPM, Eddy County, New Mexico

Mr. Wilson:

Reference is made to your request on behalf of Mesquite SWD, Inc. (OGRID 161968; "Mesquite") received by the Division on March 24, 2014, for the above named well. Mesquite has requested the cancellation of Administrative Order SWD-1275 approved on May 21, 2011, with an extension to commence injection by May 1, 2014.

It is our understanding that Mesquite has requested cancellation of the order after negotiation with Burnett Oil for the opportunity to become the potential operator of this well in support of their production operations in the area. The Division finds that granting this request is in the interest of conservation and will prevent waste and protect the environment. Therefore, the authority issued to Mesquite under Administrative Order SWD-1275 is cancelled.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia Office
Administrative Order SWD-1275
Well File API 30-015-30405
State Land Office – Oil, Gas and Minerals Division

March 24, 2014

RECEIVED OGD

2014 MAR 28 PM 11:24

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention Mrs. Jami Bailey, Division Director

RE: Injection Permit #SWD – 1275, held by Mesquite SWD Inc.

Dear Mrs. Bailey,

Mesquite SWD Inc., holds the captioned saltwater injection permit. By this letter, Mesquite is rescinding the permit to inject and releasing the same. Mesquite is rescinding the injection permit in connection with its transfer to Burnett Oil Co., Inc. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Clay Wilson

President – Mesquite SWD, Inc.

575-706-1840

cc Burnett Oil Co., Inc.
Attention Coley Means, land department
801 Cherry Street – Unit #9
Burnett Plaza Suite 1500
Fort Worth, Texas 76102-6881