

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



August 20, 2018

Ms. Stormi Davis
Mesquite SWD, Inc.
P. O. Box 1479
Carlsbad, NM 88220

RE: Administrative Order SWD-1574; Second Extension of Deadline to Commence Injection

Okerlund SWD Well No. 1 (API 30-025-43535)
Unit J, Sec 7, T21S, R32E, NMPM, Lea County, New Mexico
Order Date: August 28, 2015
First extension to commence injection issued August 24, 2017.
Injection into the Devonian formation; permitted interval: approximately 14000 feet to 16000 feet

Dear Ms. Davis:

Reference is made to your request on behalf of Mesquite SWD, Inc. (the "operator") to extend the deadline stipulated in order SWD-1574 based upon the approval date of August 28, 2015, to commence injection for the above referenced well for an additional one year for reasons outlined in the attached correspondence. Previously, the order was approved for a one-year extension to a new deadline of August 28, 2018.

It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership.

The Division finds that granting this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment.

The deadline to commence injection for the existing order is hereby extended until August 28, 2019. All requirements of the above referenced administrative order and agreements in the application remain in full force and effect. Any additional extension of the deadline to commence injection for this administrative order will not be considered unless the operator has commenced drilling the referenced well. Otherwise, the injection authority shall expire under the terms of the extended administrative order and the operator shall be required to submit a new application to obtain injection authority for the referenced well.

Sincerely,

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

HEATHER RILEY
Director

HR/prg

cc: Oil Conservation Division – Hobbs District Office
SWD-1574
Well file 30-02543535
Bureau of Land Management – Carlsbad Field Office

MESQUITE SWD, INC.

**PO Box 1479
CARLSBAD, NM 88220
575-628-0391**

June 19, 2018

New Mexico Oil Conservation Division
Attention: Mr. Phillip Goetze
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for Permit Approval Extension
C-108 Authorization to Inject (Order SWD-1574)
Order Date: August 28, 2015
Okerlund SWD #1 (API# 30-025-43535)
Township 21 South, Range 32 East, N.M.P.M.
Section 7: 1470' FSL & 1555' FEL
Lea County, NM

Dear Mr. Goetze,

Mesquite SWD, Inc. respectfully requests administrative approval for a one-year extension of the approved C-108 authorization to inject for the above referenced well.

The drilling of this well was postponed due to rig availability and prioritized drilling in 2018. We plan to drill this well in late 2018 or 2019.

I have attached a map showing all wells within one mile. There have been no wells drilled within the area of review, nor any ownership or operator changes requiring additional notice since the order was issued.

Please contact me at 575-308-3765 if you need further information.

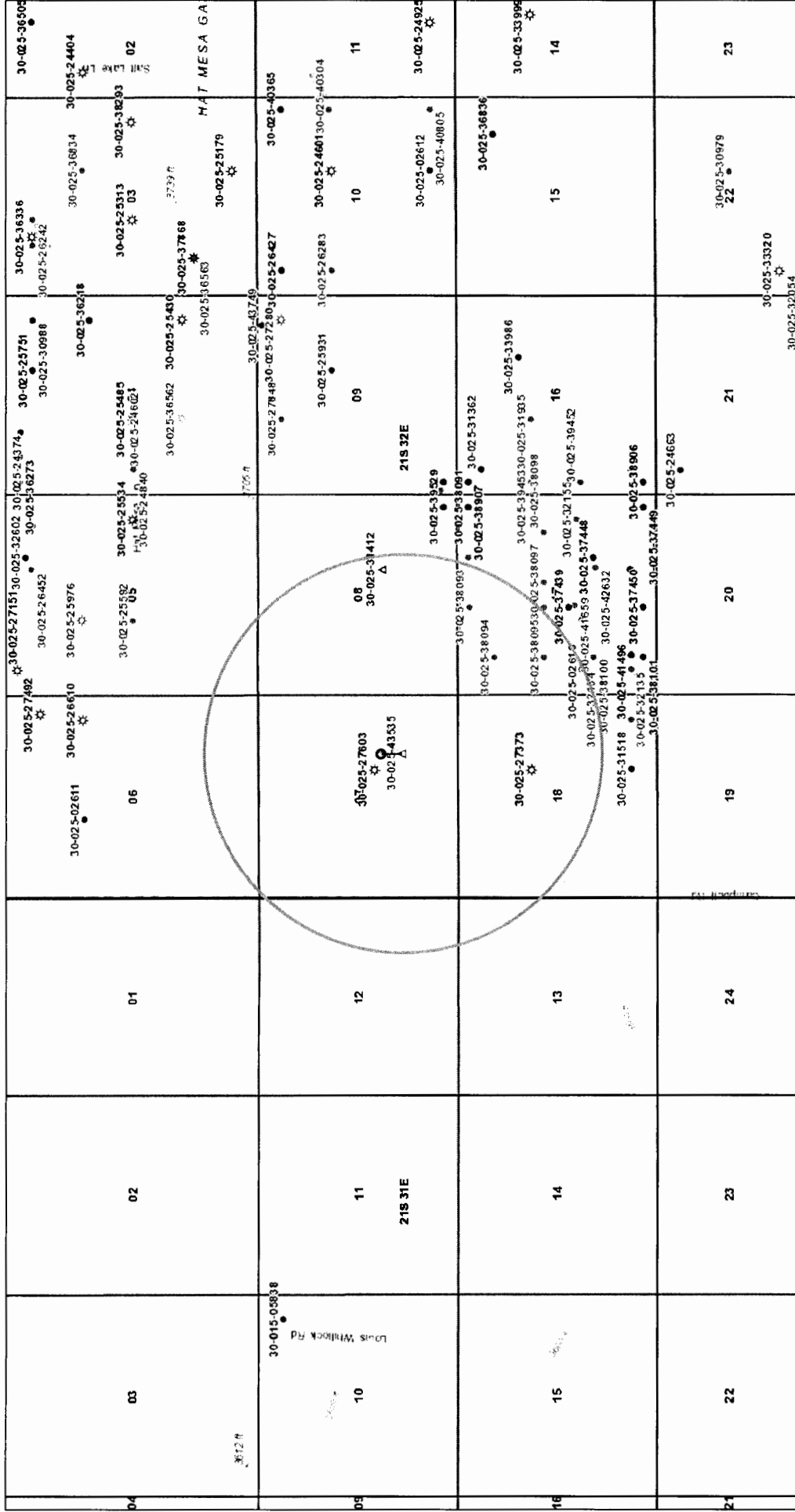
Thank you for your consideration of this request.

Sincerely,



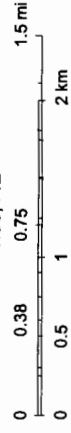
Stormi Davis
Regulatory Analyst

OCD Well Locations



6/19/2018 10:00:05 AM

1:36,112



Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, METINASA, EPA, USDA, OGC, BLM

Goetze, Phillip, EMNRD

From: Stormi Davis <ssdavis104@gmail.com>
Sent: Tuesday, June 19, 2018 12:06 PM
To: Goetze, Phillip, EMNRD
Subject: Okerlund SWD #1 - Request for Permit Approval Extension
Attachments: Okerlund SWD #1 1-mile map.pdf; Okerlund SWD #1 Request for C-108 extension.jpg

Please see attached extension request for your review.

Thank you.

Stormi Davis