

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- Handwritten notes:*
 - SWD 1642
 - Sweetwater SWD, Inc.
 - SCOTT B SWD/H
 30-015-Pending
 POD
 SWD Dedication
 96101

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

KAY HAVENOR see App 1. Citation Agent 5/9/18/2016
 Print or Type Name Signature Title Date

 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: Mesquite SWD, Inc
ADDRESS: P.O. Box 1478 Carlsbad, NM 88220
CONTACT PARTY: Kay Havenor PHONE: 575-626-4518
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Kay Havenor TITLE: Agent
SIGNATURE: Kay C Havenor DATE: 6/12/2016
E-MAIL ADDRESS: Kay.Havenor@Gmail.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: Mesquite SWD, Inc. (OGRID.161968)WELL NAME & NUMBER: Scott B SWD #1 30-025-NA (New Drill)WELL LOCATION: 250' FSL & 2166' FWL N 23 24S 28E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE**WELLBORE SCHEMATIC**

See attached diagram

PROPOSED WELL CONSTRUCTION DATASurface CasingHole Size: 26" Casing Size: 20" 133# J-55 BTCCemented with: 650 sx. *or* ft³Top of Cement: Surface Method Determined: CirculateIntermediate-1 CasingHole Size: 17-1/2" Casing Size: 13-3/4" 68# N-80 LTCCemented with: 1000 sx. *or* ft³Top of Cement: Surface Method Determined: CirculateIntermediate-2 CasingHole Size: 12 1/4" Casing Size: 9 5/8" 53.5# L-80 LTCCemented with: 1800 sx. *or* ft³Top of Cement: 11415' Method Determined: Opr

Liner

Hole Size 8½" Casing Size 7⅝" 39# P-110 UFJ
Cemented with: 2400 sx. or _____ ft³
Top of Cement Surface Method Determined Opr
Total Depth: Approx 16,200'

Injection Interval

Approximately 15,000' To Approximately 16,200'
(Perforated or Open Hole; indicate which) Open Hole

INJECTION WELL DATA SHEET

Tubing Size: 4-1/2" P110/N-80 Lining Material: Fiberglass coated

Type of Packer: Lok-Set or equivalent

Packer Setting Depth: Approx 15,000' ft

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? Yes No

If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: Siluro-Devonian

3. Name of Field or Pool (if applicable): _____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. New drill

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Delaware & Bone Springs horizons all above approximately 9,800'

Mesquite SWD, Inc.
 Scott B SWD #1
 250' FSL & 2166' FEL
 Sec. 23, T24S-R28E Eddy County, NM

API 30-025-NA

PROPOSED NEW WELL DIAGRAM

API: 30015HHH
 Operator: Mesquite SWD, Inc
 Lease: Scott B SWD
 Location: Sec 23, T24S-R28E Eddy Co., NM
 Footage: 250' FSL, 2166' FWL

Well No: 1

KB: 2959 est
 GL: 2964 est

Surface Csg

Size: 20" 133# J-55 BTC
 Set @: 850
 Sks omt: 650
 Circ: Yes
 TOC: Surf
 Hole Size: 26"

Intermediate Csg

Size: 13-3/8" 68# N-80 LTC
 Set @: 4,400
 Sks omt: 1000
 Circ: Yes
 TOC: Surf
 Hole Size: 17-1/2"

Intermediate-2 Csg

Size: 9-5/8" 53.5# L-80 LTC
 Set @: 11650
 Sks omt: 1800
 Circ: Yes
 Hole Size: 12-1/4"

Liner

Size: 7-5/8" 39# P-110 Ultra FJ
 Top: 11415
 Set @: 14800
 Sks omt: 2400
 Circ: Yes
 Hole Size: 8-1/2"

Open Hole

Size: 15000-16200'
 Interval: 15000-16200'
 Hole Size: 6-1/4"

Tubular requirements (made-up):

15,000' 4-1/2" w/0-1990' 13.5# P-110 LTC, 1990'-4600' 11.6# P-110 LTC, 4600'-9800' 11.6# N-80 LTC, 9800'-12900' 11.6# P-110 LTC, 12900'-15000' 13.5# N-80 LTC, all Fiberglass coated. Lok-Set or equivalent approx 15,000'

Open hole acid/stimulation if required.
 Tubing annulus w/corrosion inhibitor.
 Complete surface head for disposal

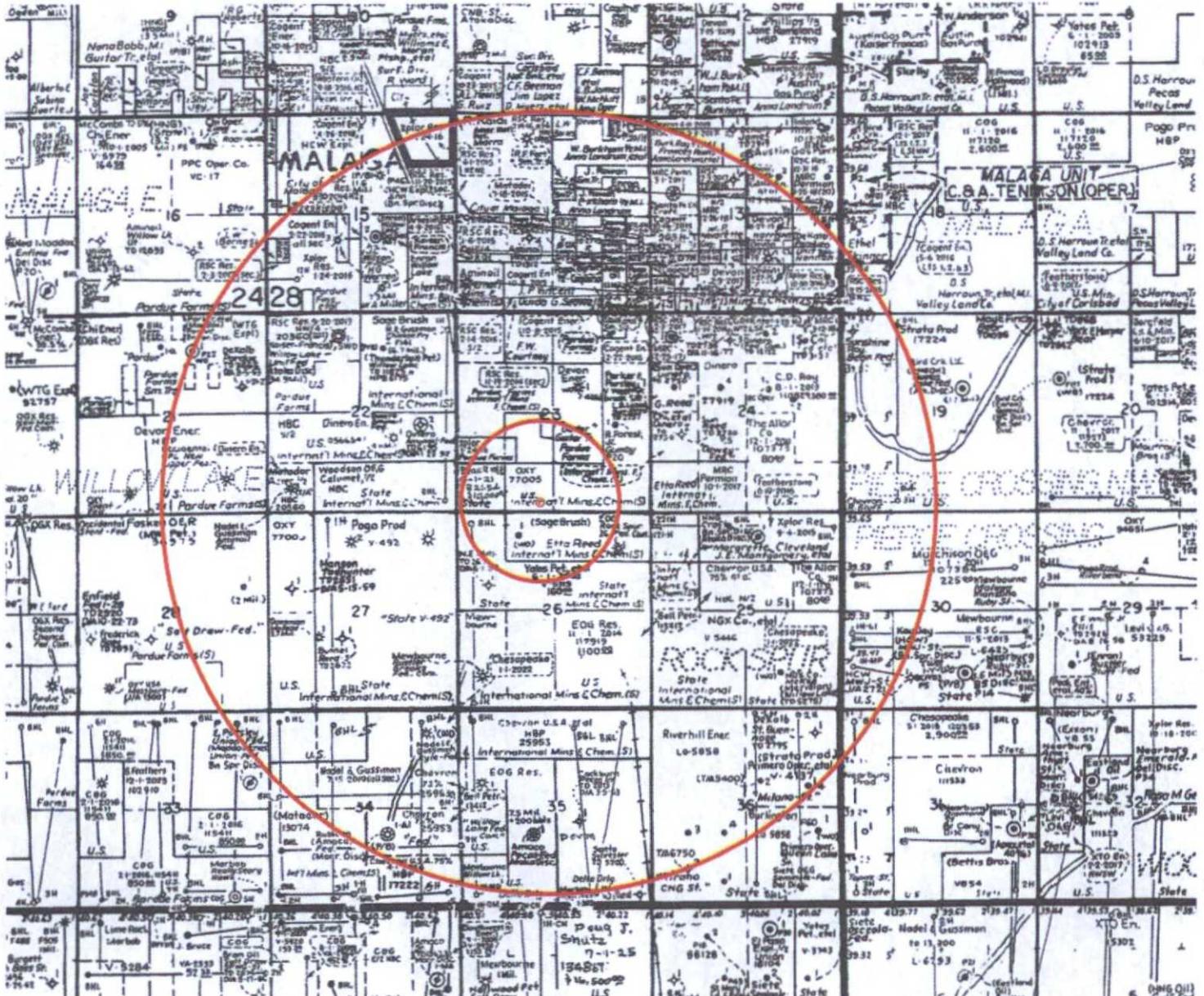


Mesquite SWD, Inc.
Scott B SWD #1
250' FSL & 2166' FEL
Sec. 23, T24S-R28E Eddy County, NM

API 30-025-NA

Item V:

Area of Review
1/2 Mile AOR and 2 Mile Radius

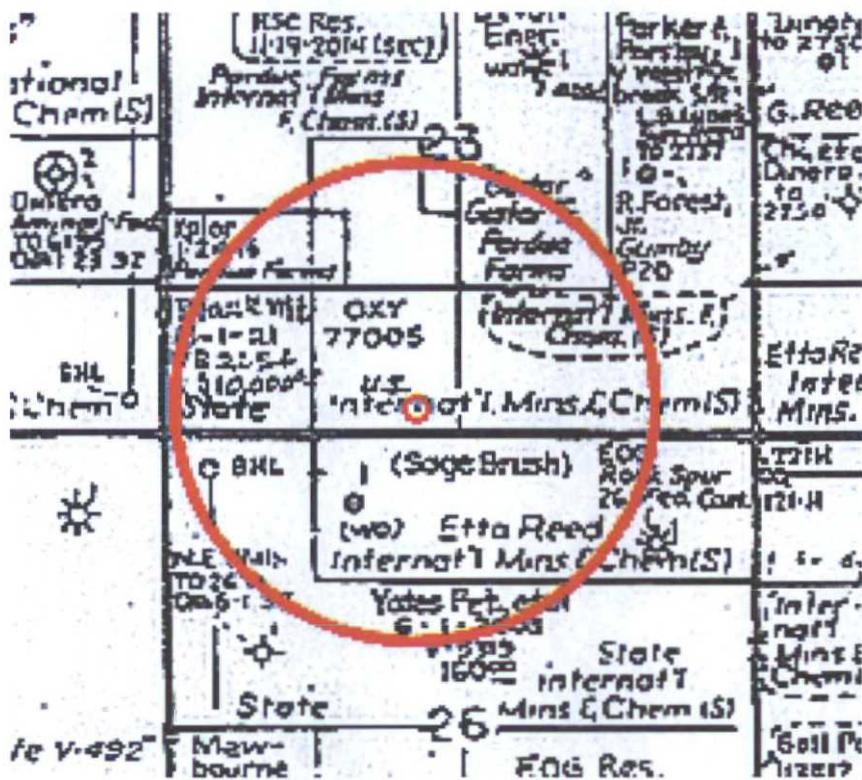


Mesquite SWD, Inc.
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API 30-025-NA

Item V (a):

AOR Half - Mile



Mesquite SWD, Inc.
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 Sec. 23, T24S-R28E Eddy County, NM

API 30-025-NA

Item VI: Data on wells in AOR:

WELL_NAME	STATUS	SDIV	SEC	TWN	RANGE	FTG	NS	FTG	EW	OCD	OPERATOR	WELL	LAND	PLUG_DATE	SPUD	ELEVGL	TVD_DEPTH
IMC 001	Active	C	26	24.0S	28E	660	N	1650	W	C	SABER OIL & GAS VENTURES, LLC	O	P		06-Jan-87	2959	13120

No known wells in the AOR penetrate pre-Permian formations.

Item VII:

1. The maximum injected volume anticipated is 25,000 BWPD. Average anticipated is 18,000 BWPD.
2. Injection will be through a closed system.
3. Maximum injection pressure is expected to be 3,000 psi, or as controlled by depth.
4. Sources will be produced water that is compatible with known waters in the disposal zones.
5. Water sample analyses from the immediate surrounding Siluro-Devonian area are not known, however, the regional information indicates it is non-productive of hydrocarbons. This is supported by SWD-1510 located 1-¾ miles southeast of this proposed location.

Mesquite SWD, Inc.
Scott B SWD #1
250' FSL & 2166' FEL
Sec. 23, T24S-R28E Eddy County, NM

API 30-025-NA

Item VIII:

Disposal will be into the Siluro-Devonian formations above the Montoya Formation.

There is no known fresh, potable water within a 2-mile radius. Records from the New Mexico Office of the State Engineer on May 27, 2016 show no known water wells within the 2-mile radius of the proposed Mesquite SWD disposal well.

The surface geology of the greater area, including the 2-mile radius as shown in Item V above, is Quaternary eolian and piedmont deposits of Holocene to middle Pleistocene age and Permian Castile Formation. These are underlain by Permian formations and evaporites. Based upon surface geology and available shallow data the depth of potable water is estimated to be less than 200'.



New Mexico Office of the State Engineer
Wells with Well Log Information

No wells found.

Basin/County Search:

County: Eddy

UTMNA83 Radius Search (in meters):

Easting (X): 666330

Northing (Y): 3556940

Radius: 3200

Mesquite SWD, Inc.
Scott B SWD #1
250' FSL & 2166' FEL
Sec. 23, T24S-R28E Eddy County, NM

API 30-025-NA

Item IX:

Formation chemical stimulation may be applied after completion. No other stimulation is currently planned.

Item X:

Logs will be filed with the OCD upon completion of the well. Density -Neutron is planned from surface to TD.

Item XI:

No water wells are reported in the 2-mile radius of the proposed SWD. Please note Item VIII discussion above.

Item XII:

There is no geological evidence of open faults or hydrologic connection between the disposal zone and any possible underground sources of protectable water.

Mesquite SWD, Inc.
Scott B SWD #1
250' FSL & 2166' FEL
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API 30-025-NA



Google Earth
4.2 miles west of Malaga, NM, about ½ mile east of US 285.

Mesquite SWD, Inc.
Scott B SWD #1
250' FSL & 2166' FEL
Sec. 23, T24S-R28E Eddy County, NM

API 30-025-NA



Delorme Xmap 6
4.2 miles west of Malaga, NM. Site located about 1/2 mile east of US 285.

Mesquite SWD, Inc.
Scott B SWD #1
250' FSL & 2166' FEL
Sec. 23, T24S-R28E Eddy County, NM

API 30-025-NA

Item XIII: Proof of Notice

Minerals Owner:

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220

Surface: Fee:

Valley Land, LLC
P.O. Box 597
Loving, NM 88256

Operators:

Black Mountain Exploration
500 Main St, Suite 1000
Fort Worth, TX 76102

Operator
SW/4 /SW4 Sec 23

Devon Energy
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Operator
NW/4 SE/4 Sec 23

OXY USA, Inc
P.O. Box 27570
Houston, TX 77277-7570

Operator
SE/4 SW/4 Sec.23

Saber Oil & Gas Ventures, LLC
400 W. Illinois, Suite 950
Midland, TX 79701

Operator
N/2 NE/4, NW4 NW4 Sec 26

Yates Petroleum Corp, et al
105 S. 4th St
Artesia, NM 88210

Operator
NW/4 NW4, S/2 N/2 Sec 26

Item XIII: Legal Publication

Affidavit of Publication

No. 23964

State of New Mexico

County of Eddy:

Brienne Greene *Brienne Greene*

being duly sworn says that she is the Editor

of the Artesia Daily Press, a daily newspaper of General circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 consecutive weeks/day on the same

day as follows:

First Publication June 16, 2016

Second Publication _____

Third Publication _____

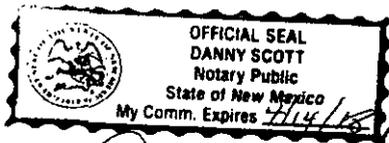
Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

Subscribed and sworn before me this

13 day of July 2016



Danny Scott

Danny Scott

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Mesquite SWD, Inc., c/o Kay Havenor, 904 Moore Ave, Roswell, NM 88201-1144, (575) 826-4518, is seeking approval from the New Mexico Oil Conservation Division to drill and complete the Mesquite SWD, Inc. Scott B SWD No. 1 well API: 30-015- (unassigned), to be located 250 feet from the south line and 2166 feet from the west line of Section 23, T24S, R28E, Eddy County, NM for commercial produced water disposal by drilling to approximately 16,200 feet to penetrate the Siluro-Devonian formation. The site is 4.2 miles west of Malsga, NM and US 285, Eddy County, NM.

Mesquite SWD, Inc. plans to dispose of a maximum of 25,000 BWP/D with a disposal interval in the Siluro-Devonian formation through open-hole approximately 15,000' to 16,200' with maximum pressure of 3,000 psi.

Parties with questions regarding this proposal can contact Kay Havenor at the address or phone number above.

Interested parties must file objections or requests for hearing within 15 days of publication to the Oil Conservation Division: 1220 South St. Francis Dr., Santa Fe, NM 87505.

Published in the Artesia Daily Press, Artesia, N.M., June 16, 2016 Legal No. 23964.

Mesquite SWD, Inc.

Scott B SWD #1

250' FSL & 2166' FEL

Sec. 23, T24S-R28E Eddy County, NM

Item XIII: Certified Mail Receipts

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>or on the front if space permits.</p>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>X [Signature]</i></p> <p>B. Received by (Printed Name) <i>Felton</i> C. Date of Delivery <i>6/16/16</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Bureau of Land Management 620 E. Greene St Carlsbad, NM 88220</p> <p><i>Scott B</i></p>	<p>3. Service Type <input type="checkbox"/> Certified Mail* <input type="checkbox"/> Priority Mail Express™ <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. 7010 0780 0002 2613 4676</p>	
<p>PS Form 3811, July 2013 Domestic Return Receipt</p>	

U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only	
<p>For delivery information, visit our website at www.usps.com®</p> <p>LOVING, NM 88256</p> <p>OFFICIAL USE</p>	
<p>Postage \$3.30</p> <p>Certified Fee \$2.70</p> <p>Return Receipt Fee (Endorsement Required) \$0.00</p> <p>Restricted Delivery Fee (Endorsement Required) \$0.00</p> <p>Total Postage & Fees \$7.36</p>	<p>0602 09</p> <p>Postmark Place</p> <p>06/16/2016</p>
<p>Sent to Valley Land, LLC Street & Apt. No., or PO Box No. P.O. Box 597 City, State, ZIP+4 Loving, NM 88256</p>	
<p>PS Form 3800, July 2013 See Reverse for Instructions</p>	

U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only (No Insurance Coverage Provided)	
<p>For delivery information, visit our website at www.usps.com®</p> <p>CARLSBAD, NM 88220</p> <p>OFFICIAL USE</p>	
<p>Postage \$3.30</p> <p>Certified Fee \$2.70</p> <p>Return Receipt Fee (Endorsement Required) \$0.00</p> <p>Restricted Delivery Fee (Endorsement Required) \$0.00</p> <p>Total Postage & Fees \$7.36</p>	<p>0602 09</p> <p>Postmark Place</p> <p>06/16/2016</p>
<p>Sent to Bureau of Land Management Street, Apt. No., or PO Box No. 620 E. Greene St. City, State, ZIP+4 Carlsbad, NM 88220</p>	
<p>PS Form 3800, August 2006 See Reverse for Instructions</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Valley Land, LLC P. O. Box 597 Loving, NM 88256</p> <p><i>Scott B</i></p>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee <i>X [Signature]</i></p> <p>B. Received by (Printed Name) <i>Monika Lopez</i> C. Date of Delivery <i>6/20/16</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>3. Service Type <input type="checkbox"/> Certified Mail* <input type="checkbox"/> Priority Mail Express™ <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>7014 2120 0003 6413 3858</p>	
<p>PS Form 3811, July 2013 Domestic Return Receipt</p>	

Mesquite SWD, Inc.
 Scott B SWD #1
 250' FSL & 2166' FEL
 Sec. 23, T24S-R28E Eddy County, NM

Item XIII: Certified Mail Receipts

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>Complete items 1, 2, and 3. Also complete [redacted] or on the front if space permits.</p> <p>1. Article Addressed to: Black Mountain Exploration 500 Main St. Suite 1000 Fort Worth, TX 76102</p> <p>2. Article Number (Transfer from service label) 7014 2120 0001 6413 3841</p>	<p>A. Signature X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery 6/20</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
PS Form 3811, July 2013	Domestic Return Receipt

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
*For delivery information visit our website at www.usps.com	
OKLAHOMA CITY, OK 73102	
FOR OFFICIAL USE	
Postage \$3.39	0602 09
Certified Fee \$2.70	Postmark
Return Receipt Fee (Endorsement Required) \$0.00	NOV
Restricted Delivery Fee (Endorsement Required) \$0.00	ROSELLE, NM
Total Postage & Fees \$1.36	06/16/2016
Sent to Devon Energy	
Street, Apt. No., or PO Box No. 333 West Sheridan Ave	
City, State, ZIP+4® Oklahoma City, OK 73102-5015	
PS Form 3800, August 2005 See Reverse for Instructions	

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only)	
*For delivery information, visit our website at www.usps.com	
FOR OFFICIAL USE	
Postage \$3.39	0602 09
Certified Fee \$2.70	Postmark
Return Receipt Fee (Endorsement Required) \$0.00	NOV
Restricted Delivery Fee (Endorsement Required) \$0.00	ROSELLE, NM
Total Postage & Fees \$1.36	06/16/2016
Sent to Black Mountain Exploration	
Street & Apt. No., or PO Box No. 500 Main St., Suite 1000	
City, State, ZIP+4® Fort Worth, TX 76102	
PS Form 3800, July 2014 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>Complete items 1, 2, and 3.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to: Devon Energy 333 West Sheridan Avenue Oklahoma City, OK 73102-5015</p> <p>2. Article Number (Transfer from service label) 7008 1830 0002 6038 7904</p>	<p>A. Signature X <i>David Carrillo</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation™ Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, April 2015 PSN 7530-02-000-9053	Domestic Return Receipt

Mesquite SWD, Inc.
 Scott B SWD #1
 250' FSL & 2166' FEL
 Sec. 23, T24S-R28E Eddy County, NM

Item XIII: Certified Mail Receipts

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>Scott B</i></p> <p>B. Received by (Printed Name) <i>Scott B</i></p> <p>C. Date of Delivery <i>06/16/2016</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>OXY USA, Inc. P. O. Box 27570 Houston, TX 77277-7570</p> <p>9590 9403 0765 5198 5557 51</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label) 7014 2120 0001 6412 9202</p>	
PS Form 3811, April 2015 PSN 7530-02-000-9053	Domestic Return Receipt

U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com®	
OFFICIAL USE	
Postage \$3.30	0602 09
Certified Fee \$2.70	
Return Receipt Fee (Endorsement Required) \$0.00	
Restricted Delivery Fee (Endorsement Required) \$0.00	
Total Postage & Fees \$1.36	
Total Postage & Fees \$7.36	
Sent To Saber Oil & Gas Ventures, LLC Street & Apt. No., or PO Box No. 400 W. Illinois, Suite 950 City, State, ZIP+4 Midland, TX 79701	
PS Form 3800, July 2014	See Reverse for Instructions

U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com®	
OFFICIAL USE	
Postage \$3.30	0602 09
Certified Fee \$2.70	
Return Receipt Fee (Endorsement Required) \$0.00	
Restricted Delivery Fee (Endorsement Required) \$0.00	
Total Postage & Fees \$1.36	
Total Postage & Fees \$7.36	
Sent To OXY USA, Inc. Street & Apt. No., or PO Box No. P.O. Box 27570 City, State, ZIP+4 Houston, TX 77277-7570	
PS Form 3800, July 2014	See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>Scott B</i></p> <p>B. Received by (Printed Name) <i>Scott B</i></p> <p>C. Date of Delivery <i>06/16/2016</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Saber Oil & Gas Ventures, LLC 400 W Illinois, Suite 950 Midland, TX 79701</p> <p>9590 9402 1491 5329 7161 16</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label) 7014 2120 0001 6413 3865</p>	
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

Mesquite SWD, Inc.
 Scott B SWD #1
 250' FSL & 2166' FEL
 Sec. 23, T24S-R28E Eddy County, NM.

API 30-025-NA

Item XIII: Certified Mail Receipts

7015 0920 0001 1564 6779

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT <i>Domestic Mail Only</i>	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$2.70
Certified Fee	\$0.00
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.36

06/16/2016
2:00 PM

7015 0920 0001 1564 6779

Yates Petroleum Corporation
 Street & Apt. No. 105 S. 4th Street
 or PO Box No.
 City, State, ZIP+4® Artesia, NM 88210

PS Form 3800, July 2014 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<p>So that we can identify your mail, attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Yates Petroleum Corp, et al 105 S. 4th St. Artesia, NM 88210</p> <p>2. <i>Smith</i> 7015 0920 0001 1564 6779</p>	<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>[Signature]</i></p> <p>C. Date of Delivery <i>6/20/16</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	<p>3. Service Type <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input checked="" type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
PS Form 3811, July 2013 Domestic Return Receipt		



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 1	Q 2	Q 3	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
C 01265	C	ED	24	1	26	24S	28E	543750	3561658				126		
C 02244	C	LE	3	1	22	24S	28E	587224	3563865*				260		
C 03358 POD1	C	ED	1	4	1	26	24S	28E	588416	3562116			135		
C 03833 POD1	C	ED	2	1	2	26	24S	28E	589014	3562545			96	55	41

Average Depth to Water: 55 feet

Minimum Depth: 55 feet

Maximum Depth: 55 feet

Record Count: 4

PLSS Search:

Section(s): 22-24, 25-27

Township: 24S

Range: 28E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

Scott B produced water samples									
wellname	api	section	township	range	unit	ftgns	ftgew	formation	chloride_mgl
GUY A REED #001	3001510872	24	24S	28E	E	1980N	660W	DELAWARE	78600
FED #001	3001502504	24	24S	28E	A	330N	990E		78580
H B 11 FEDERAL #0	3001529248	11	24S	29E	L	1650S	400W		109207
H B 11 FEDERAL #0	3001532606	11	24S	29E	K	2550S	1600W		103070
H B 11 FEDERAL #0	3001529249	11	24S	29E	N	850S	2100W		118370
H B 11 FEDERAL #0	3001537900	11	24S	29E	B	330N	1650E	AVALON UPPER	114114
H B 11 FEDERAL #0	3001529248	11	24S	29E	L	1650S	400W		112725
H B 11 FEDERAL #0	3001532741	11	24S	29E	C	330N	1750W		59222
H B 11 FEDERAL #0	3001537900	11	24S	29E	B	330N	1650E	AVALON UPPER	104800



ORDER TYPE: WFX / PMX / SWD Number: _____ Order Date: _____ Legacy Permits/Orders: _____

Well No. 1 Well Name(s): SCOTT B SWD

API: 30-0 15-Pending Spud Date: TBD New or Old: N (UIC Class II Primacy 03/07/1982)

Footages 250FSL 2.166FWL Lot _____ or Unit N Sec 23 Tsp 24S Rge 28E County Eddy

General Location: 2.2 miles E / Louisa Pool: _____ Pool No.: _____

BLM 100K Map: CANUSBAD Operator: mesquite SWD, INC. OGRID: 161968 Contact: KAY HALE

COMPLIANCE RULE 5.9: Total Wells: 15 Inactive: 0 Fincl Assur: OK Compl. Order? NA TS 5.9 OK? y Date: 8-04-2016

WELL FILE REVIEWED Current Status: Proposed

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: N/A

Planned Rehab Work to Well: _____

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Cement (S) or Cf	Cement Top and Determination Method
Planned ___ or Existing ___ Surface	<u>26/20</u>	<u>850</u>	<u>650</u>	<u>SURFACE / VISUAL</u>
Planned ___ or Existing ___ Interm/Prod	<u>17 1/2 / 13 7/8</u>	<u>4400</u>	<u>1000</u>	<u>SURFACE / VISUAL</u>
Planned ___ or Existing ___ Interm/Prod	<u>12 1/4 / 4 5/8</u>	<u>11650</u>	<u>1800</u>	<u>SURFACE / VISUAL</u>
Planned ___ or Existing ___ Prod <u>(Liner)</u>	<u>8 1/2 / 7 5/8</u>	<u>1480</u>	<u>2400</u>	<u>SURFACE / VISUAL</u>
Planned ___ or Existing ___ Liner				
Planned ___ or Existing ___ OH / PERF	<u>15000 / 16200</u>			

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops	Completion/Operation Details:
Adjacent Unit: Litho. Struc. Por.	<u>[Pattern]</u>	<u>DV</u>	<u>1500W</u>	Drilled TD <u>16200</u> PBSD _____
Confining Unit: Litho. Struc. Por.		<u>LV</u>	<u>1440W</u>	NEW TD _____ NEW PBSD _____
Proposed Inj Interval TOP:				NEW Open Hole <input checked="" type="checkbox"/> or NEW Perfs <input type="checkbox"/>
Proposed Inj Interval BOTTOM:				Tubing Size <u>4 1/2</u> in. Inter Coated? <u>y</u>
Confining Unit: Litho. Struc. Por.				Proposed Packer Depth _____ ft
Adjacent Unit: Litho. Struc. Por.	<u>[Pattern]</u>			Min. Packer Depth _____ (100-ft limit)
				Proposed Max. Surface Press. <u>3000</u> psi
				Admin. Inj. Press. <u>3000</u> (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P NA Noticed? _____ BLM Sec Ord WIPP Noticed? _____ Salt/Salado T: 7W B: 270 NW: Cliff House fm _____

FRESH WATER: Aquifer SPR? Max Depth 58 HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: CANUSBAD CAPITAN REEF: thru adj (NA) No. Wells within 1-Mile Radius? _____ FW Analysis _____

Disposal Fluid: Formation Source(s) Delaware Basin SPRING WALK Analysis? y On Lease Operator Only or Commercial

Disposal Int: Inject Rate (Avg/Max BWPD): 1100/2500 Protectable Waters? _____ Source: _____ System: Closed or Open

HC Potential: Producing Interval? NA Formerly Producing? _____ Method: Logs/DST/P&A/Other _____ 2-Mile Radius Pool Map

AOR Wells: 1/2-M Radius Map? y Well List? y Total No. Wells Penetrating Interval: _____ Horizontals? _____

Penetrating Wells: No. Active Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

Penetrating Wells: No. P&A Wells 0 Num Repairs? _____ on which well(s)? _____ Diagrams? _____

NOTICE: Newspaper Date 7-13-2016 Mineral Owner Bum Surface Owner Valley Lane LLC N. Date 6/20/2016

RULE 26.7(A): Identified Tracts? _____ Affected Persons: SABER OIL & GAS, YATES N. Date 6/24/2016

Order Conditions: Issues: Run C-B-L Liner From 1400-11000

Add Order Cond: _____

* The well horizontal target is 10,575' -> B & O operation check with Federal