<u> </u>	', 		10:11	17	
1,31	//	<i>W (</i> }	1,31.11	FIRESUD) 110	13154845
		NEW MEXICO OIL C	ONSERVATION DIV	vision 289	mesquite
		- Engine 1220 South St. Francis	ering Bureau - Drive Santa Fe NM	87505	The state of the s
		1220 30dd1 3t. 11dhcis	Drive, Santa Fe, Wil	REPE	VED OUT 17 F
		AB	OVE THIS LINE FOR DIVISION USE ON	. 70xv 1 17	fr - tl 12: 36
Δ	DMINIS	STRATIVE APPLIC	CATION CHE	CKLIST 30-0	15-29602
THIS C	CHECKLIST IS M	IANDATORY FOR ALL ADMINISTRA WHICH REQUIRE PRO	TIVE APPLICATIONS FOR CESSING AT THE DIVISIO		ES AND REGULATIONS
	on Acronym: NSL-Non-Sta	s: :ndard Location] [NSP-Non	-Standard Proration	Unit1 (SD-Simultaneous	Dedication1
Į.	[DHC-Dow	nhole Commingling] [CT	B-Lease Commingli	ng] [PLC-Pool/Lease Co	ommingling]
	[PC-P	ool Commingling] [OLS - [WFX-Waterflood Expansion]		_	
	[EOR-Qua	[SWD-Salt Water Disp alified Enhanced Oil Recove		n Pressure Increase] [PPR-Positive Production	Response
11 Tr	_	PPLICATION - Check Tho			EN BON
[1] T	[A]	Location - Spacing Unit -	Simultaneous Dedic		Mo/O
		□ NSL □ NSP □	SD	V /	Mar I
		k One Only for [B] or [C]	3.4		Som S
	[B]	Commingling - Storage - □ DHC □ CTB □		OLS OLM	
	[C]	Injection - Disposal - Pres	ssure Increase - Enha	nced Oil Recovery	•
		□ WFX □ PMX X	SWD □ IPI □	EOR □ PPR	N
	[D]	Other: Specify			oly to the
[2] N		TION REQUIRED TO: - C			ily 🛵 'a gr
	[A]	☐ Working, Royalty or	Overriding Royalty I	nterest Owners	Soft,
	[B]	X Offset Operators, Leas	seholders or Surface	Owner	The state of the s
	[C]	X Application is One W	hich Requires Publis	shed Legal Notice	1 STON
	[D]	X Notification and/or Co	oncurrent Approval tent - Commissioner of Public La	by BLM or SLO	The Man
	[E]			or Publication is Attached	l, and/or,
	[F]	☐ Waivers are Attached			
		CCURATE AND COMPLE ATION INDICATED ABO		ON REQUIRED TO PR	OCESS THE TYPE
approval	is accurate a	TION: I hereby certify that and complete to the best of a equired information and notion	ny knowledge. I also	o understand that no action	
• •		t must be completed by an indivi			
Kay Haveı	nor	KAY	C Havenor	Agent	1/24/2011
Print or Ty	ype Name	Signature		Title	Date
				VII.	
				KHavenor@georesources	s.com

e-mail Address

Mesquite SWD, Inc. 161968 P.O. Box 1479 Carlsbad, NM 88221

١.

Contact party: Kay Havenor 575-626-4518 KHavenor@georesources.com

C-108 Ancillary Data

- 1. API: 30-015-29602
- 2.. Original Lease Name: Heavy Metal 12 Federal #1 New name used here: No
- 3. Legal publication lay distance description: "located 22.5 miles east of Loving, NM off NM-128 and Buck Jackson Road"
- 4. AOR data: All wells are shown in summary and detail in **Item VI**: Data on unplugged wells in AOR:
 - 1) 3001528626 Chesapeake Operating, Inc. SOTOL A Federal 3, C-Sec. 12, T24S-R31E, Eddy Co., 660' FNL & 1980' FWL Elev 3530 GL Spudded 10/24/1995. TD 8625'. 11-3/4" @ 826' w/590 sxs, circulated. 8-5/8" casing @ 4450' w/1370 sxs, circulated. 5-1/2" @ 8625' w/1465 sxs, TOC 3500'. Perf 8163 8192'. Completed as oil well in Mesa Verde Delaware field (Brushy Canyon).
 - 2) 30-015-37607 COG, Seabisquit Federal Com #1, N-12-R24S-R31E Spudded 4/26/2010, 13-3/8" @ 863' w/750 sxs circulated. 9-5/8" to 4508' w/1550 sx circ to surface. Ran 9206' 7" plus 4306' of 5-1/2" to 13584' w/MD 13550' w/450 sxs circ from DVT @ 8425' and 800 sxs above DVD. TOC temp survey @1000' TVD approx 8425'. Well completed as producer Bone Springs lateral, but no perf/treatment/completion data has been filed as of this date.
- 5. AOR well count as shown in **Item VI**: 6 (3 plugged, 2 active, 1 undrilled location)
- 6. P&A wells in AOR count: 3 (including target re-entry P&A 10/9/1997)
- 7. List of formation tops applicable to AOR: Tops in target re-entry well:
 Rustler 758', Salado 1232', main Salt 2380', B/Salt 4298', T/Lamar 4532', T/Bell Canyon 4587', T/Cherry Canyon 5515', Brushy Canyon 7080', Bone Springs 8396
- 8. Producing or non-P&A wells in proposed disposal AOR:
 - Marbob Unit M-Sec. 11, T24S-R31E New Bone Springs lateral well. Data & logs not yet filed or released.
- 9. Is proposed SWD in a depleted zone/well? No. Proposed injection into Bell and Cherry Canyon isolated from underlying Brushy Canyon w/cement plug.
- 10. Why is proposed interval non-productive?

Log and tests show water wet.

11. Notification and related acreage is shown in **Item XIII:**

Chesapeake Sec. 11: S/2 NE/4, SE/4, Sec. 12: NE/4 NW/4 Shallow ?, Sec. 14: N/2

Devon Sec. 11: E/2 SW/4

COG Sec 12: All

Oxy Sec 14: All

- 12. Surface owner, as shown in Item XIII, is: BLM
- 13. Rule 5.9 status of applicant: Financial status in compliance. Inactive wells include: 1 inactive
- 14: Location of well as to Potash or other sensitive areas: Not within R-111-P

STATE OF NEW MEXICO
. 'ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

	ATTECATION TO KACINGMENTION TO INSECT
I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? Yes No
11.	OPERATOR: Mesquite SWD, Inc.
	ADDRESS: P.O. Box 1479 Carlsbad, NM 88221
	CONTACT PARTY: Kay Havenor PHONE: 575-626-4518
Ш.	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. drawn	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle around each proposed injection well. This circle identifies the well's area of review.
	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic plugged well illustrating all plugging detail.
VII.	Attach data on the proposed operation, including:
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, 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.).
Give t	Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately lying 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).
	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any ion or disposal well showing location of wells and dates samples were taken.
	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data nd no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of ng 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 elief.
	NAME: Kay Havenor. TITLE: Agent
	NAME: Kay Havenor. SIGNATURE: KAY HAVENOR DATE: January 24, 2011
* Please	E-MAIL ADDRESS: KHavenor@georesources.com If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. e 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.

OPERATOR: Mesquite SWD, Inc.

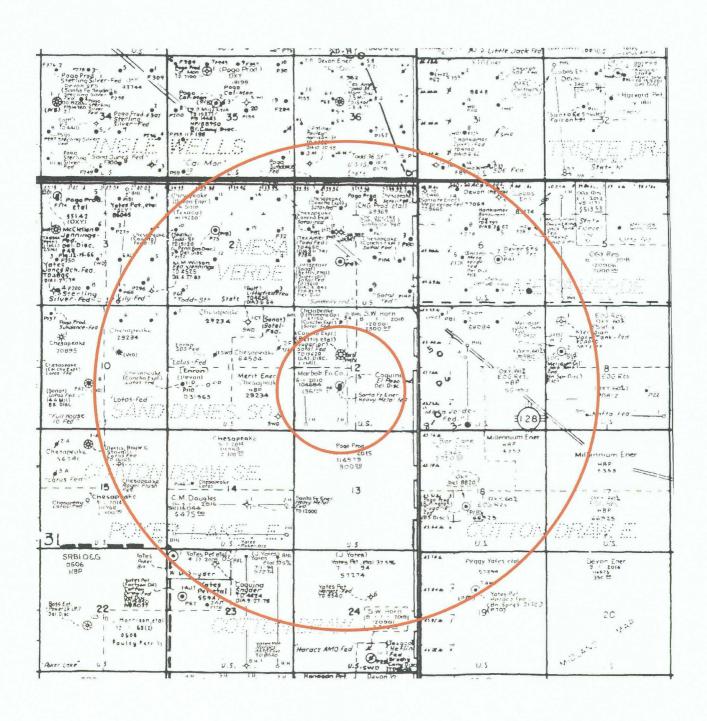
|--|

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Item V:

Area of Review ½ Mile AOR and 2 Mile Radius



Item VI: Data on wells in AOR

All Known Wells in AOR

1 3001522555 EI Paso Federal 1 P&A K 2 3001528626 SOTOL "A" FEDERAL 3 V Active C 3 3001523459 SOTOL "A" FEDERAL 1 P&A F 4 3001529602 HEAVY METAL 12 FEDERAL 1 P&A K 5 3001537605 Seabisquif Federal Com 2H Loc M	K 12 C 12 F 12	12 245 31 12 245 31	31E 19		OPERATOR	3	LAND SPUDDATE	PLUG DATE	ELEV-GL	ELEV-GL TVD_DEPTH Highest Perf	lighest Perf
SOTOL "A" FEDERAL 3 V SOTOL "A" FEDERAL 1 HEAVY METAL 12 FEDERAL 1 Seabisquit Federal Com 2H	C 12		•	5-0861	1980-W Chesapeake Operating, Inc.	Fed	5/25/1978	4/14/1979	3540	4630	4590
V) _ U,	F 12		31E 6	. N-039	1980-W Devon Energy Production Co	Fed	10/24/0995		3530	8625	8163
 0,			31E 19	N-086	1980-W Concho Exploration	Fed	5/28/1994	12/15/2000	3532	15620	7132
	К 12	12 245 31	31E 19	1900-5	1900-W Devon SFS Operating, Inc.	Fed	8/28/1994	10/9/1997	3541	8600	NONE
	M 12	12 245 31	31E	330-5	530-W COG Operating, LLC	Fed			3559		
6 3001537607 Seabisquit Federal Com 1H Comp NA 🗸 N	z	12 245 31	31E :	330-5	2260-W COG Operating, LLC	Fed	4/27/2010		3566	approx8425	¥

Note: 3001529602 is the target re-entry.

Construction of producing well in AOR:

Spudded 10/24/1995. TD 8625'. 11-3/4" @ 826' w/590 sxs, circulated. 8-5/8" casing @ 4450' w/1370 sxs, circulated. 5-1/2" @ 8625' w/1465 sxs, 3001528626 Chesapeake Operating, Inc. SOTOL A Federal 3, C-Sec. 12, T24S-R31E, Eddy Co., 660' FNL & 1980' FWL Elev 3530 GL TOC 3500'. Perf 8163 - 8192'. Completed as oil well in Mesa Verde Delaware field (Brushy Canyon).

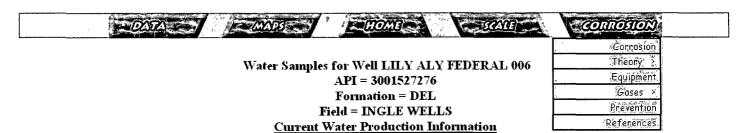
Construction of recently drilled well in AOR:

reported to BLM 5/26/2010. No further data reported as of 1/22/2011. Ground inspection shows well head and tankage completed and site clean. 3001537067 COG Operating, LLC, Seabisquit Federal Com #1H, N-12, T24S-R31E, Eddy Co., 330' FSL & 2260' FWL, Elev 3566 GL, Spudded 4/27/10 as lateral Bone Springs test. MD 13550', TVD NR but approx 8425'. 13-3/8" @865' w/750 sxs, circulated. 9-5/8" @4508' w/1550 sxs, circulated. 7" 9206' + 5-1/2" 4336' Cemented w/450 sx circ to DV tool@8425' + 800 sx thru DV tool for 7" to 1000' (TOC by Temp Survey

Item VII:

- 1. The maximum injected volume anticipated is 5,000 BWPD. Average anticipated is 4,000 BWPD.
- 2. Injection will be through a closed system.
- 3. Maximum injection pressure is expected to be 883 PSI.
- 4. Sources will be only produced water.
- 5. Water sample analysis Delaware Brushy Canyon 30-015-27276 Sec. 3, T24S-R31E, Eddy Co. See figure from WAIDS data base below.

NM WAIDS



Instructions:

Click

For general information about this sample.

Click 🕮

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click 🗗

To select this water sample for water mixing. It will lead to the main page, and add the sample ID to the mixing

Click 664

Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes and click Submit for multiple samples

The ions are in (mg/L) units.

Item VIII:

Lea County, New Mexico				Output formats				
Latitude 32º13'30", Longit				Table of data				
Land-surface elevation 3,5			GVD29	Tab-separated data				
The depth of the well is 60 This well is completed in the			and Other	Graph of data				
Surface Deposits (110AVME			and outlo	Reselect period				
Date	Time	Water level, feet below land surface	រៅ Status	Date	Time	Water level, feet below land surface	ជ្យ Status	
1950-04-13		33,64		1986-03-18		37.16		
1955-06-03		31.90	R	1991-05-29		39.64		
1976-01-22		31.80		1996-03-14		38.20		
1981-03-20		19.93		2001-02-27		36.58		
				2006-02-07	09:30	19.40		

The surface of the area included in the 2-mile radius, as shown in Item V above, is Quaternary alluvium and Recent blow-sand deposited on Cretaceous/Triassic Dewey Lake redbeds. No shallow samples have been found in the greater area to clearly define shallow tops. E-logs suggest the top of the Rustler Formation is in the range of 150'. The Dewey Lake and Rustler Formation extend down to about 1100' and/or the top of the Salado. Various wells report anhydrite as high as about 800', but the salt, with some interbedded anhydrites, is typically in the range of 1150' to about 4300'. The heavy-bedded anhydrite beneath the salt is approximately 300' to 400' thick. It is essentially non-porous, non-permeable and rests unconformably on the Lamar Limestone of the Delaware Mountain Group. The Delaware Mountain Group is comprised of three major sand-shale members: Bell Canyon, Cherry Canyon, and Brushy Canyon. In the study area the Bell Canyon is approximately 930' thick. The Cherry Canyon is close to 1560' thick. The Brushy Canyon is about 1300' thick, of which the lower 300' portion contains most of the formation's main oil/gas productive horizons. Not all the lower Brushy Canyon is productive.

Virtually no groundwater data is available within the 2-mile radius study area. A commercial water well supply for oil well drilling is present 1.6 miles NW of the proposed Mesquite SWD location. The water well is in NW/SE/NW of Sec. 2, T24S–R31E. OSE data for C-1246-A-O indicates the water was encountered at approximately 160' and the well was drilled to 250'. This depth would suggest basal Quaternary/upper Triassic localized aquifer. Water volume was estimated to originally yield 75 gpm. Texaco drilled a water supply well in 1995 in SE4/NW4 Sec. 12, T24S-R31E, but all that is available is the water was to be used for drilling. Water wells to the west of the 2-mile radius suggest the Cretaceous/Triassic Dewey Lake is around 25 feet deep and small volume (7 to 12 gpm) are coming from deeper redbeds in the Rustler. No water quality is reported. Quaternary water zones in this region are scattered and not hydraulically connected. They occur in low irregularities in the alluvial deposits and derive their recharge from precipitation that moves downward through the blow-sands to accumulate randomly on top of the Cretaceous/Triassic Dewey Lake. Potable water is not common in this portion of Eddy/Lea County. If shallow potable or stock water were present in the study area it would be above about 100'.

Item IX:

Acid wash of sand porosity zones between 4587' and 7050' may be attempted. No fracturing is planned.

Item X:

Logs are on file with the OCD.

Item XI:

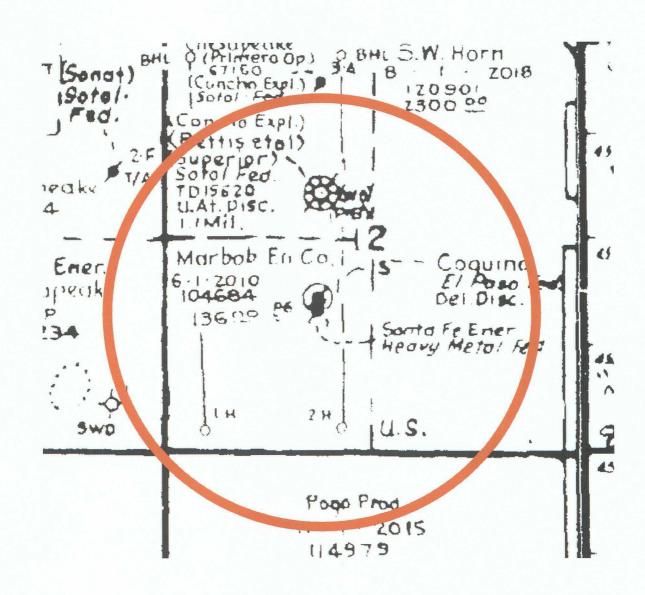
No fresh water wells have been found within the 1-mile radius of the project well. See Item X above.

Item XII:

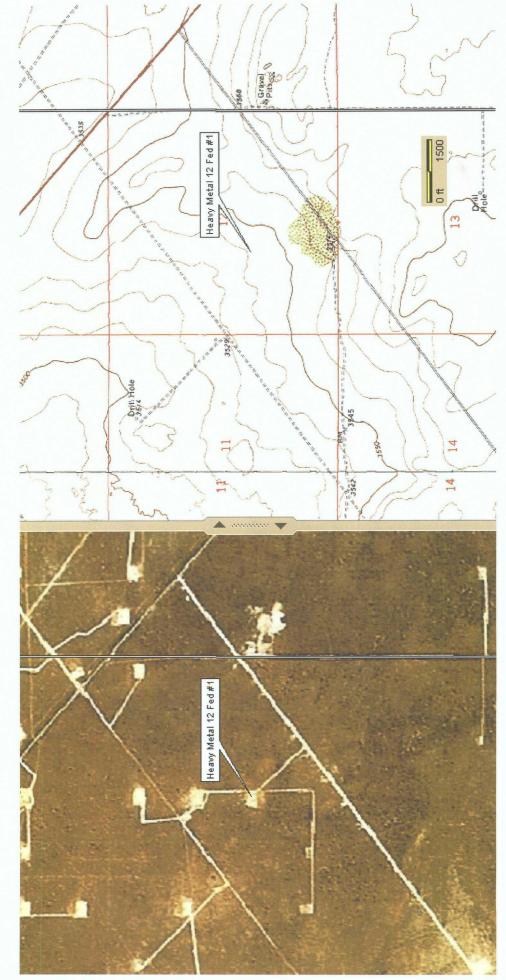
There is no geological evidence of open faults nor hydrologic connection between the disposal zone and any possible underground sources of potable water.

> Enlarged View of AOR Centered in Unit K Sec. 12-T24S-R31E Eddy Co., NM

Item V(a):



Topographic and Spot Satellite image of well site area



Delorme Xmap 6

PLUG AND ABANDON WELL DIAGRAM

API: 3001529602

Originally: Devon SFS Operating, Inc. Heavy Metal 12 Federal No. 1

Operator: Devon SFS Operating, Inc.

 Lease:
 Heavy Metal 12 Federal
 Well No: 1
 KB: 3554

 Location:
 Sec 12, T24S-R31E Eddy Co., NM
 GL: 3541

Footage: 1900 FSL, 1900 FWL

Original Surface Csg

 Size:
 13-3/8"

 Set @:
 608

 Sxs cmt:
 600

 Circ:
 Circulated

 TOC:
 Surface

 Hole Size:
 17-1/2"

Original Intermediate Csg

 Size:
 8-5/8"

 Set @:
 4415

 Sxs cmt:
 1800

 Circ:
 Circulated

 TOC:
 Surface

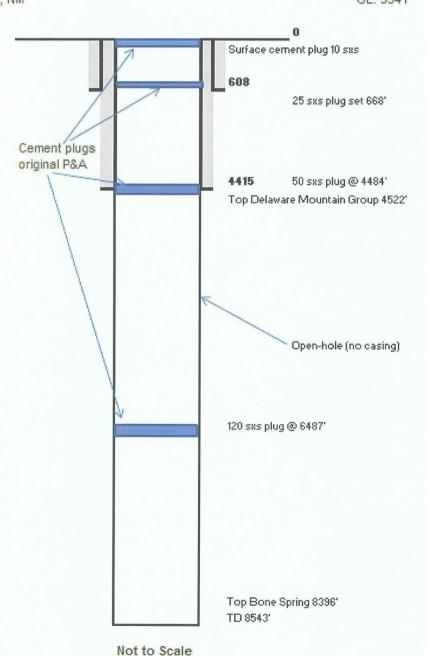
 Hole Size:
 11"

Original Production Csg

Size: None

Set @: Sxs cmt: Circ: TOC:

Hole Size: 7-7/8"



Mesquite SWD, Inc. Heavy Metal 12 Federal No. 1

1900' FSL & 1900' FWL Sec. 12, T24S-R31E Eddy County, NM

PLUG AND ABANDON VELL DIAGRAM

API:

3001523459

Hole Size:

NR

Operator: Concho Exploration

Lease:

SOTOL A Federal

Location: Sec 12, T24S-R31E Eddy Co., NM

Footage: 1980 FNL, 1980 FWL

Well No:

KB:

3558

GL:

3532

Spud date:

August 31, 1980

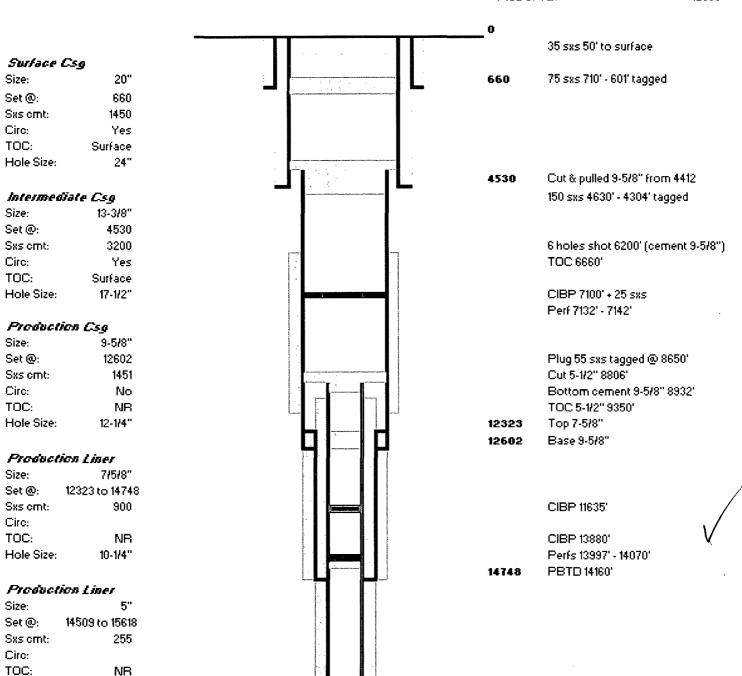
Plugged date:

15618

December 31, 2000

MSL of TD:

-12060



PLUG AND ABANDON WELL DIAGRAM

API:

Eddy County, NM

3001522555

Operator: Cocquina Oil Corp

Lease:

El Paso Federal

Well N 1

KB: GL:

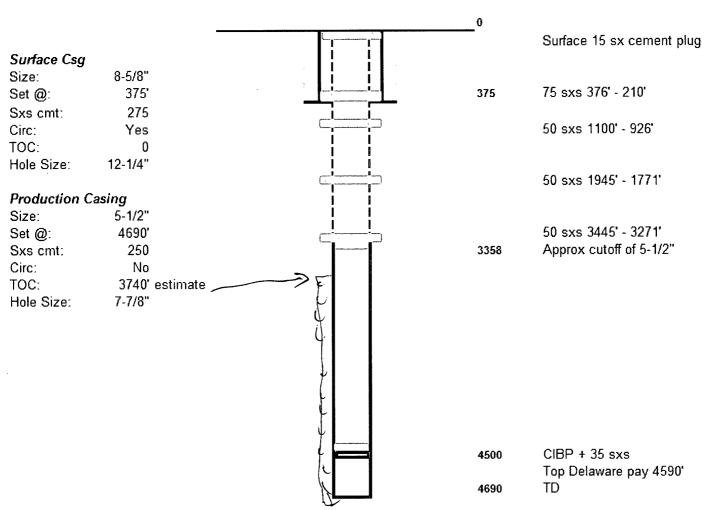
3540

Location: Sec 22, T21S-R27E Eddy Co., NM Footage: 660 FNL, 1980 FWL

Spud date:

February 25, 1978





PROPOSED RE-ENTRY AND COMPLETION PLAN

API: Originally: Devon SFS Operating, Inc. Heavy Metal 12 Federal No. 1

Operator: Mesquite SWD, Inc.

Lease: Heavy Metal 12 Federal Well No: 1

Location: Sec 12, T24S-R31E Eddy Co., NM

Footage: 1900 FSL, 1900 FWL

Original Surface Csg

 Size:
 13-3/8"

 Set @:
 608

 Sxs cmt:
 600

 Circ:
 Circulated

 TOC:
 Surface

 Hole Size:
 17-1/2"

Original Intermediate Csg

 Size:
 8-5/8"

 Set @:
 4415

 Sxs cmt:
 1800

 Circ:
 Circulated

 TOC:
 Surface

 Hole Size:
 11"

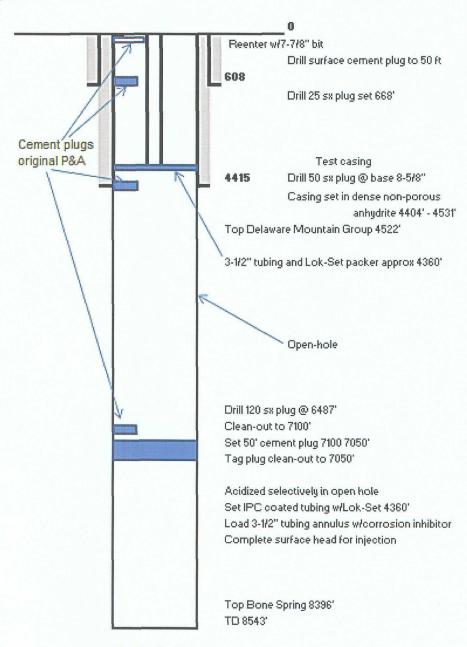
Original Production Csg

Size: None

Set @: Sxs cmt: Circ: TOC:

Hole Size: 7-7/8"

Tubular requirements (made-up): 4360' 3-1/2" N80 9.3# upset IPC 1810 coated



Not to Scale

KB: 3554

GL: 3541

Item XIII:

Notification List

Surface Owner:

Bureau of Land Management c/o Carlsbad Field Office 620 E. Greene Street Carlsbad, NM 88220

Operators:

COG Operating, LLC 550 W. Texas St. Ste 100 Midland, TX 79701

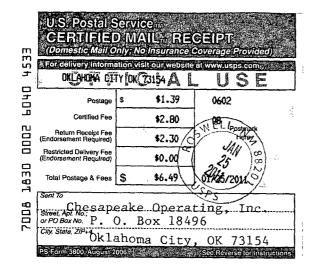
Chesapeake Operating, Inc. P.O. Box 18496 Oklahoma City, OK 73154

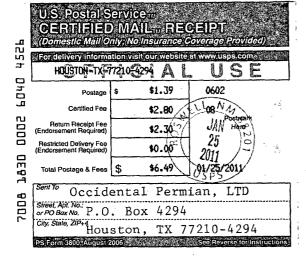
Occidental Permian, LTD. P.O. Box 4294 Houston, TX 77210-4294

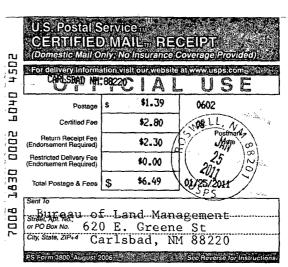
Surface BLM Lessee:

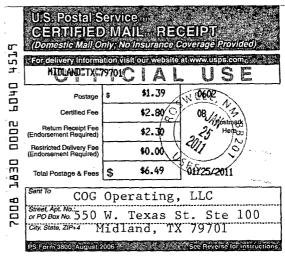
Richardson Cattle Company P.O. Box 487 Carlsbad, NM 88221

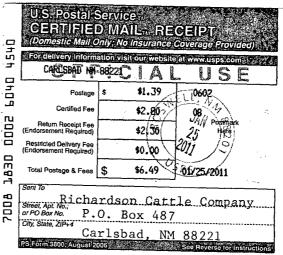
Certified Mail Receipts











Legal Notice

Affidavit of Publication No. 21522						
STATE OF NEW MEXICO						
County of Eddy:						
Walter L. Green Walter L. Green						
being duly sworn, says that he is the Publisher						
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 Notice						
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/days on the same						
day as follows:						
First Publication January 25, 2011						
Second Publication						
Third Publication						
Fourth Publication						
Fifth Publication						
Subscribed and sworn to before me this						
25th day of January 2011						
OPFICIAL SEAL Danny Scott NOTARY PUBLIC-STATE OF NEW MEXICO						
Why commission expires:						
Warner South						

Danny Scott

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICES LEGAL NOTICES

Mesquite SWD, Inc., c/o Kay Havenor, 904 Moore Ave., Roswell, NM 88201, (575) 626-4518, is seeking approval from the New Mexico Oil Conservation Division to re-enter the Devon SFS Operating, Inc., Heavy Metal 12 Federal No.1 well API: 30-015-29602, located 1980 feet from the south line and 1980 eet from the west line of Section 12, T24S, R34E, Eddy County, NM, located 22.5 miles east of Loving, NM off NM-128 and Buck Jackson Road, and complete for commercial produced water disposal as the Mesquite SWD, Inc., Heavy Metal 12 Federal No.1.

The proposed disposal interval is the Delaware Mountain Bell Canyon and Cherry Canyon Formations through open hole from 4.415 feet to 7,050 feet. Mesquite SWD, Inc. plans to dispose of a maximum of 5,000 BWPD with a maximum pres-Havenor at the address or phone number above. Interested parties must file objections or requests for hearing within 15 days to the Oil Conservation Division: 1220 S. St. Francis Dr., Santa Fe, NM 87505.

Published in the Artesia Daily Press, Artesia, N.M., January 25, 2011. Legal No. 21522.

1920 er 1980 ?





February 14, 2011

VIA HAND DELIVERT		H
Mr. Daniel Sanchez	[\bigcirc
Acting Division Director	cci	1
Oil Conservation Division	I	
New Mexico Department of Energy,	-11	أمسيا
Minerals and Natural Resources	O	
1220 South Saint Francis Drive	• •	\subseteq
Santa Fe, New Mexico 87505	22	لرا
3 -015-29602	•	

Re: Application of Mesquite SWD, Inc. for a salt water disposal well in Section 12, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Mr. Sanchez:

VIA HAND DELIVERY

COG Operating, LLC hereby objects to the above-referenced application filed by Mesquite SWD, Inc. seeking authorization to inject produced water in the Heavy Metal 12 Federal Well No. 1 located 1900 feet from the South line and 1900 feet from the West line of Section 12, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Pursuant to Division Rule 19.15.26.8, this application must be set for hearing before a Division Examiner in order to be further considered, as COG has timely objected to this application. Your attention to this matter is appreciated.

Sincerely,

Ocean Munds-Dry

cc: Attn: Kay Havenor

Mesquite SWD, Inc.

P.O. Box 1479

Carlsbad, NM 88221

Dean Chumbley

COG Operating, LLC

From:

Jones, William V., EMNRD

Sent: To: Friday, February 18, 2011 4:47 PM 'Kay Havenor'; 'Ocean Munds-Dry'

Cc:

Ezeanyim, Richard, EMNRD

Subject:

Disposal Application from Mesquite SWD, Inc.: Heavy Metal 12 Federal #1 30-015-29602

Unit Letter K, Sec 12, T24S, R28E, Eddy County NM 4415 to 7050 Bell and Cherry Canyon

Open Hole Depths

Hello Dr. Havenor:

Just documenting that the OCD has received a protest letter from COG Operating LLC.

We can no longer process this administrative application for disposal into this well – unless we receive a letter from the protesting party revoking the protests.

If the protest is withdrawn, I will then review this application for other concerns.

Please consult your attorney as to what legal avenues are open to you.

Regards,

<u>William V Jones, P.E.</u> Engineering, Oil Conservation Division 1220 South St. Francis Drive, Santa Fe, NM 87505 Tel 505.476.3448 ~ Fax 505.476.3462



CC:

Ocean Munds-Dry, Esq. Holland&Hart LLP Attorney for COG Operating LLC





March 15, 2011

VIA HAND-DELIVERY

Mr. Daniel Sanchez, Acting Director
Attn: Richard Ezeanyim
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Mesquite SWD, Inc. for a salt water disposal well in Section 12, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dear Mr. Sanchez:

On February 14, 2011, COG Operating, LLC filed an objection letter to the above-referenced application. COG and Mesquite have reached an agreement regarding the application.

COG now <u>withdraws</u> its objection to Mesquite's Application for approval of a salt water disposal well in Section 12, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Your attention to this matter is appreciated. Please feel free to contact me should you have any questions or concerns at (505)988-4421.

Sincerely,

Ocean Munds-Dry

Attorney for COG Operating, LLC

cc: Dean Chumbley

From:

Jones, William V., EMNRD

Sent:

Friday, March 25, 2011 4:21 PM

To:

'Kay Havenor'

Cc: Subject: Ezeanyim, Richard, EMNRD; Reeves, Jacqueta, EMNRD; Wesley_Ingram@blm.gov' Disposal application from Mesquite SWD, Inc.: Heavy Metal 12 Federal #1 30-015-29602

K/12/24S/31E Eddy County Delaware open hole 4415 - 7050

Hello Dr. Havenor:

Today, I reviewed your application and noticed a couple of items and have questions.

- a. As I understand it, COG has withdrawn its protest. Do you know what their concern was and how you addressed it?
- b. Who owns the rights to the Delaware in the N/2 N/2 of Section 13? I did not see that in the acreage summary.
- c. The Newspaper notice says 1980 fsl and 1980 fwl, but the application says 1900. Which is correct? You don't need to re-notice.
- d. What is the typical percentage Sw you see in the Bell Canyon in this well? For example, in one of the Ramsey sands?
- e. Have you any feedback from the BLM as to this project? It is about 2 miles east of the R-111-P acreage and proposed into the top of the Delaware.

Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



From:

Kay Havenor [khavenor@georesources.com]

Sent: To: Friday, March 25, 2011 6:16 PM Jones, William V., EMNRD

Subject:

Re: Disposal application from Mesquite SWD, Inc.: Heavy Metal 12 Federal #1 30-015-29602 K/12/24S/31E Eddy County Delaware open hole 4415 - 7050

Mr. Jones, in response to your questions:

a. I was not involved, but the gist (as I understand it) was COG was playing hardball to get some concessions from Mesquite to take their water.

- b. N/2 N/2 of Sec. 13 is Oxy. They were notified. Sorry I missed that acreage on the summary.
 - c. Good eye! The correct footage was 1900 FSL and 1900 FWL as is in the C-108. I did not notice that.
- d. Typical Ramsey S_w >60
 - e. The BLM has already inspected the site with Clay Wilson and they have not said anything. The freshly drilled Marbob (COG) lateral in Unit N of the section had no problems. They finished, ran pipe, treated and completed the well, but have not reported any oil sales or filed a completion. They completed considerably beneath our lowest level.

As you may recall, this C-108 was earlier killed by Marbob before staking two locations and drilling this one. They had just bought the BLM lease. After the drilling they agreed to allow this application - just prior to becoming COG. The BLM approval of Mesquite?s Bran SWD APD in the SE/4 SE/4 of Sec. 11 is virtually complete. That APD was complicated in complying with BLM needing 3-strings of casing into the Delaware - and we start with 8-5/8" surface.

Kay

At 04:21 PM 3/25/2011, you wrote:

Hello Dr. Havenor:

Today, I reviewed your application and noticed a couple of items and have questions.

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- e. Have you any feedback from the BLM as to this project? It is about 2 miles east of the R-111-P acreage and proposed into the top of the Delaware.

From:

wingram@blm.gov

Sent:

Monday, March 28, 2011 10:16 AM

To:

Jones, William V., EMNRD

Subject:

Re: Disposal application from Mesquite SWD, Inc.: Heavy Metal 12 Federal #1 30-015-29602

K/12/24S/31E Eddy County Delaware open hole 4415 - 7050

Attachments:

pic13940.jpg

Will,

One of the engineers reviewed this well in October 2009 and did not find any reason for the BLM to object.

I just did another check with the Potash group here in the office and they have no objections.

Thanks,
Wesley W. Ingram
Supervisory Petroleum Engineer
Bureau of Land Management
575-234-5982
wesley ingram@nm.blm.gov

"Jones, William V., EMNRD" <William.V.Jones @state.nm.us>

Kay Havenor

<khavenor@georesources.com>

CC

To

03/25/2011 04:21

PM

"Ezeanyim, Richard, EMNRD"
<<u>richard.ezeanyim@state.nm.us</u>>,
"Reeves, Jacqueta, EMNRD"

<<u>Jacqueta.Reeves@state.nm.us</u>>,
"Wesley Ingram@blm.gov"

<westey Ingram@blm.gov
</pre>

Subject

Disposal application from Mesquite SWD, Inc.: Heavy Metal 12 Federal #1 30-015-29602 K/12/24S/31E Eddy County Delaware open hole 4415 - 7050

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Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505 Tel 505.476.3448 ~ Fax 505.476.3462

(Embedded image moved to file: pic13940.jpg)
http://www.emnrd.state.nm.us/ocd/Graphics/L23-ocd-logo.gif

Injection Permit Check	(list (07/9/2010)	•	<i>r</i>		
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NewExisting OpenH	ole				
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RULE 28.7(A) Affected Pers	ions: Pausa Co	G Char	XX		-
	2	/ 8/			
AOR: Map? Well List?	Active Wells 5	Producing in Interval?	Repairs	WhichWells?	
P&A Wells Diagr	ams? Repairs Wh	hich Wells?			
Run	Survey	ے ۔ ۔ <u>۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔ ۔</u>	- 11 00.	_	
Questions: Make	Jua Bottom PL	us a Sate	11000	Request Sent	Reply: