3,	16.11	WJ- 3.16,11 TYPESWD 1107538978
*		NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NM 87505 ABOVE THIS LINE FOR DIVISION USE ONLY ABOVE THIS LINE FOR DIVISION USE ONLY Confuse DRIVER BY CAME AND THE ADDITIONAL OF THE ADDITION OF THE
-		ABOVE THIS LINE FOR DIVISION USE ONLY
	ADMINIS	STRATIVE APPLICATION CHECKLIST 30-015-26969
	THIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Appl	DHC-Dow] PC-Pc]	s: ndard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] nhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] ool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] lified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	TYPE OF AF [A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD
	Check [B]	Cone Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
	[D]	Other: Specify
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those Which Apply, or Does Not Apply Working, Royalty or Overriding Royalty Interest Owners
	[B]	X Offset Operators, Leaseholders or Surface Owner
	[C]	X Application is One Which Requires Published Legal Notice
	[D]	X 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]	U Waivers are Attached
[3]	SUBMIT AC	CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE

OF APPLICATION INDICATED ABOVE.

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[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	KAY CHAVENOr	Agent	3/8/2011
Print or Type Name	Signature	Title	Date

KHavenor@georesources.com e-mail Address STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

APPLICATION FOR AUTHORIZATION TO INJECT

Ī.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? Yes No
ΊI.	OPERATOR: Mesquite SWD, Inc.
	ADDRESS: P.O. Box 1479, Carlsbad, NM 88221
	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:
	 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.).
*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
	NAME: Kay Havenor TITLE: Agent SIGNATURE: Kay C Howenor DATE: March 7, 2011
*	E-MAIL ADDRESS: <u>KHavenor@georesources.com</u> 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:

Side 2

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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.

Casing Size: 13%" 54.5# J-55 @ 626' £ £ "tagged" ĥ Circulated Method Determined: Circ w/1" Casing Size: 5 1/2" S-95 L-80 LTC Casing Size:8<u>5/8" 32# S-80-J-55</u> (Perforated or Open Hole; indicate which) Perforated 8975' Method Determined: Method Determined: WELL CONSTRUCTION DATA 30-015-26969 30E RANGE Intermediate Casing Production Casing Injection Interval Surface Casing 0 feet To_ or 5 sx. SX. 12500' TVD 12500' TOWNSHIP 17S 1230 sx+745 sx 8487' Surface 525 2200 Surface 77/8" 11" 17%" 8210' SECTION 35 sx. Cemented with: Top of Cement: _ Top of Cement: _ Top of Cement: _ Cemented with: Cemented with: Total Depth: Hole Size: Hole Size: Hole Size: 1020 UNIT LETTER £ Cedar Lake 35 Federal Com No. 1 WELLBORE SCHEMATIC FOOTAGE LOCATION See attached diagram 1240 FNL & 1980 FEL Mesquite SWD, Inc. WELL NAME & NUMBER: WELL LOCATION: ____ OPERATOR:

INJECTION WELL DATA SHEET

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Side 1

INJECTION WELL DATA SHEET

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INJECTION WELL DATA SHEET

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Jones, William V., EMNRD

From: Sent: To: Subject:	Kay Havenor [khavenor@georesources.com] Tuesday, May 03, 2011 8:33 AM Jones, William V., EMNRD Re: Disposal application from Mesquite SWD Inc.: Cedar Lake 35 Fed Com #1	•
Attachments:	30-015-26969 Wolfcamp 8210 to 8975 Re-entry plot-2 Cedar Lake-35.pdf; Re-entry plot-2 Cedar Lake-35.tif	

Will,

Attached is an update re-entry diagram of the subject well. It includes the previously missed plug at the bottom of the proposed injection interval. Thank you for pointing it out. The diagram is in both a PDF format and as a TIF file. I trust this will work.

Kay

At 03:45 PM 4/30/2011, you wrote:

Hello Dr. Havenor:

Please send another "post conversion" wellbore diagram on this well showing an internal plug set approx 200 feet below the disposal interval – or as the BLM requires.

Please send notice, or obtain a waiver from, Three Rivers as operator of a deep well in SE/4 of Section 26. The application reports that M-P of Sec 26 is Asher, but the well file on this deep well indicate that ownership may be common from 4000 feet to base of Morrow. If your research shows otherwise, let me know.

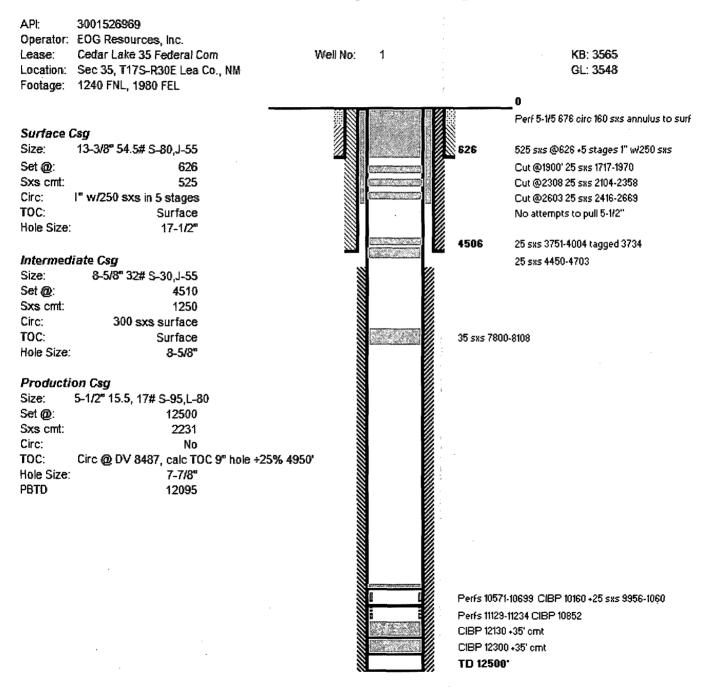
Thanks for this.

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



Kay C. Havenor, Ph.D., PG. CPG GeoScience Technologies 904 Moore Ave Roswell, NM 88201-1144 (575) 626-4518

Plug and Abandon Diagram

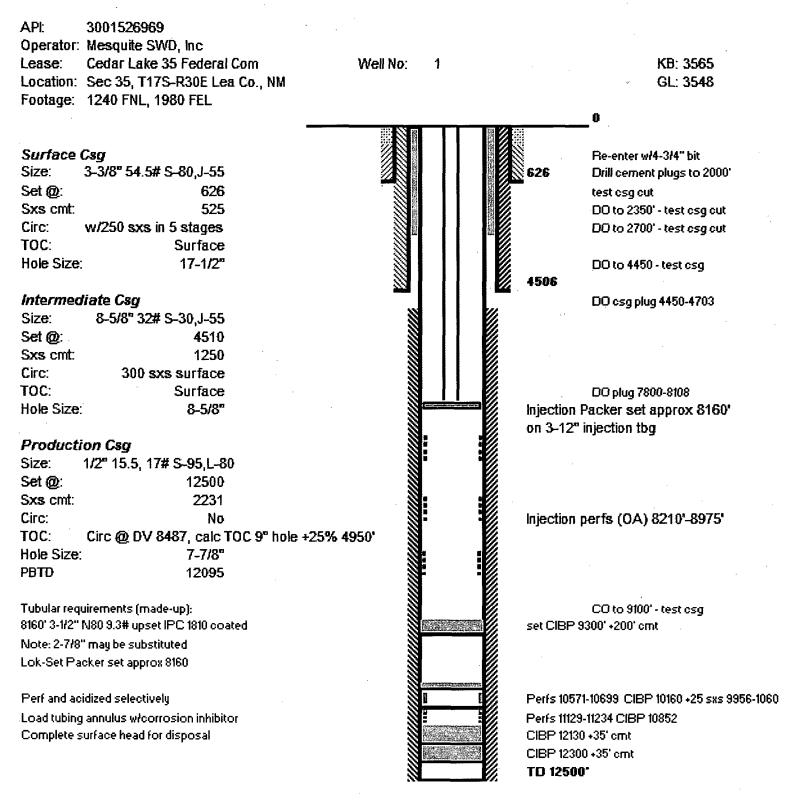


Not to Scale

Note: No attempts were made to pull 5-1/2" when P&A cuts were made.

		Oil Cons. N.M. DIV-Dis	+ 2		
Form 3160-5 (September 2001)	UNITED STATES DEPARTMENT OF THE INTERIOR	1301 W. Grand A Artesia, NM 88	VENUE FORM APPROVED		
	BUREAU OF LAND MANAGEMENT Y NOTICES AND REPORTS ON W	Elle	5. Lease Serial No. NM-0384576		
Do not use th	is form for proposals to drill or to reall. Use Form 3160-3 (APD) for such p	e-enter an	6. If Indian, Allottee or Tribe Name		
			7. If Unit or CA/Agreement, Name and/or No.		
	IPLICATE - Other instructions on I	reverse RECEIVED	Cedar Lake "35" Fed Com		
I. Type of Well	Other	MAY 0 4 2004	8. Well Name and No.		
2. Name of Operator EOG Resources I	nc	OGB-ARTESIA	9. API Well No.		
3a. Address P.O. Box 2267,	Midland, TX, 79702 (4	io. (include area code) 132) 686–3608	30-015-26969 10. Field and Pool, or Exploratory Area		
4. Location of Well (Footage, Sec.	., T., R., M., or Survey Description)		Loco Hills, Atoka		
Section 35, Tow	1240 FNL & 1980 FEL nship 17-S, Range 30-H	E.	11. County or Parish, State		
12 CHECK AP	PROPRIATE BOX(ES) TO INDICATE		Eddy, New Mexico		
TYPE OF SUBMISSION		TYPE OF ACTION			
	🛛 Acidize 🔹 🖸 Deepen	Production (Star	(Resume) 🗍 Water Shut-Off		
Notice of Intent	Alter Casing Fracture T Casing Repair New Construction		Well Integrity		
Subsequent Report	Casing Repair U New Cons Change Plans A Plug and A		andon		
Final Abandonment Notice	Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof.				
If the proposal is to deepen dire Artach the Bond under which it following completion of the invi- testing has been completed. Fi determined that the site is ready 1. Notify BLM 2. Set 5 1/2" 3. CIRC hole 10160-9956 4. Spot 35sx 5. Spot 25sx 6. Spot 25sx 7. Cut 5 1/2" 8. Cut 5 1/2" 9. Cut 5 1/2" 10. Notified J 11. Perf at 67	ctionally or recomplete horizontally, give subsurf he work will be performed or provide the Bond h olved operations. If the operation results in a mu- nal Abandonment Notices shall be filed only after for final inspection.) I 24 hrs prior to MI & CIBP at 10160. clean w/mud laden flu Class "H" cmt, plug f Class "C" cmt from 47 Class "C" cmt from 40 csg at 2603 (not pul csg at 2308 (not pul csg at 1900 (not pul fim Amos with NM BLM t to (13 3/8" Shoe). c cmt down 5 1/2" up t ty hole marker. Clean	ace locations and measured and m No. on file with BLM/BIA. Requi liple completion or recompletion ar all requirements, including recli- RU. Liability under Surface restore id, spot 25sx C rom 8108-7800 (1 03-4450 (San And 04-3751 (8 5/8" 1), spot 25sx f 1), spot 25sx c o perf well. hrough 8 5/8" a location. P&A	<pre>is vertical depths of all pertinent markers and zones. red subsequent reports shall be filed within 30 days in a new interval, a Form 3160-4 shall be filed once unation, have been completed, and the operator has a bligging of the well bore. and is completed. lass H Cmt from Bone Springs). dres). Shoe) WOC Tag at 3734. rom 2669-2416. mt from 2358-2104. mt from 1970-1717. nnulus to Surf. complete 4-16-04. Supervisor</pre>		
	THIS SPACE FOR FEDERA	L OR STATE OFFICE USE			
Approved by (ORIG. SC	GD.) ALEXIS C. SWOBODA	PETROLEUM EN	IGINEER MAY 0 S 2004		
Conditions of approval, if any, are	attached. Approval of this notice does not warr if or equitable title to those rights in the subject	ant or			
Title 18 U.S.C. Section 1001 and Ti States any false, fictitious or fraudule	itle 43 U.S.C. Section 1212, make it a crime for a ent statements or representations as to any matter	ny person knowingly and willfully within its jurisdiction.	to make to any department or agency of the United		
(Instructions on reverse)	Accepte				

Proposed Re-entry and Completion



Not to Scale

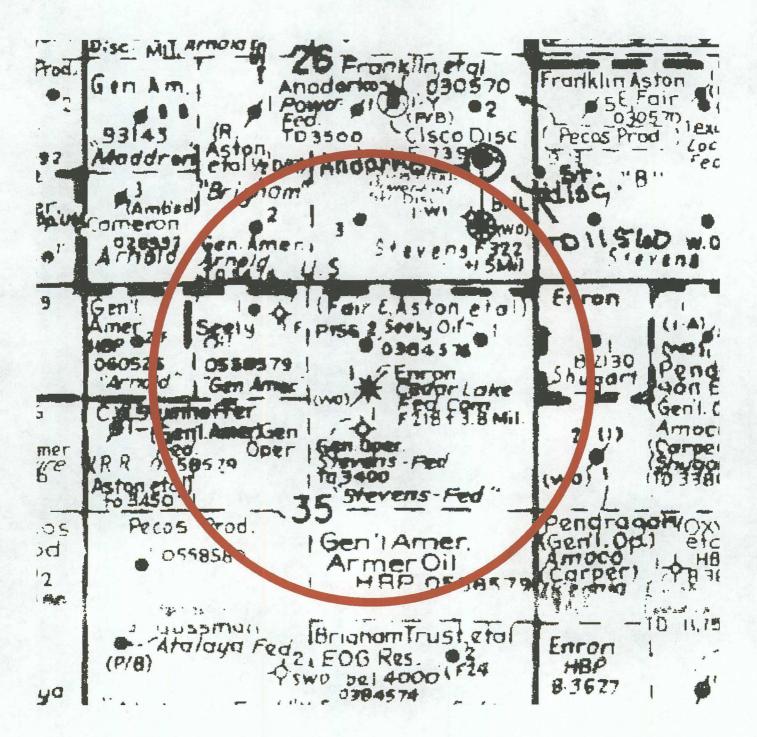
Item V:

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

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Item V (a):

Area of Review 1/2 Mile AOR



API 30-015-26969

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Item VI(b): All known wells in the AOR and their status. Wells that penetrate the proposed injection interval are labeled in yellow.

Item VI: Data on wells in AOR that penetrate the proposed injection interval:

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API	WELL NAME	STATUS UNIT SEC TO	UNIT	SEC TOWNS	S RANGE	SN	EW	OPERATOR	LAND	LAND SPUD DATE	PLUG DATE	ELEV-GL	ELEV-GL TVD_DEPTH High	High
3001526969	Cedar Lake 35 Fed Com #1	P&A	æ	35 17S	30E	1240-N	1980-E E	1240-N 1980-E EOG Resources Inc	BLM	3/29/1992	4/16/2004	3548	12500	
3001527508	Power Federal #2	Active	۵.	26 175	305	617-S	453-E T	453-E Three Rivers Operating Co. LLC BLM	BLM	9/17/1993		3544	11600	

11205 10416

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All Known Wells in AOR Penetrating Proposed Injection Interval

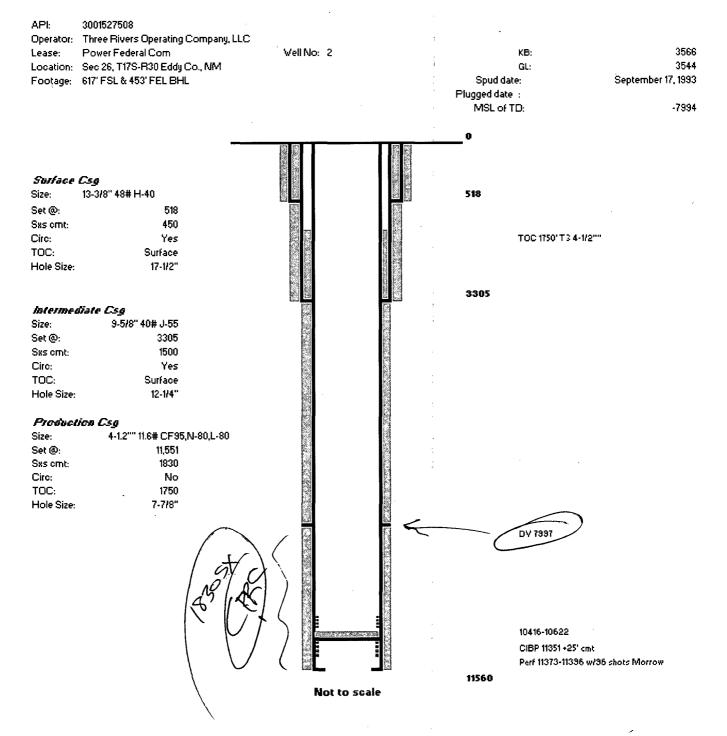
3001526969 Target re-entry

Item VI(a): Construction of wells in the AOR that penetrate into the proposed injection interval:

25 sxs 2,104-2,358'; cut 1,900' 25 sxs 1,717-1,970'; Perf @676' (13-38" shoe) circulated 160 sxs cmt down 5-1/12" up through 8-5/8" annulus to Andres). 25 sxs 3,751'-4,004' (8-5/8" shoe) tagged @3,734'. No attempts to pull 5-1/2" csg on following cuts: 2,603' 25s 2,416-2,669'; cut 2,308' sxs cmt, circ 120 sxs. TD 12,500'. 5-1/2" SS-95 & L-80 to 12,500. 1230 sxs circ to DV tool @ 8,487' plus 745 sxs (TOC NR). Perf Fussleman 3/29/1992. 13-3/8" 54.5# J-55 @626' w/525 sxs cmt. 250 sxs in 5 stages w/1" circ 20 sxs to surface. 8-5/8" 32# S-80 & J-55 @4,506' w/2200 12,374-12,556. CIBP 12,300' +35' cmt. Perf Devonian 12,160'-12,210'. CIBP 12,130' +35' cmt. Perf Morrow (OA) 11,188'-10.967', acidized 7500 gal. Perf 10,571'-10,699'. CIBP 10,160 +25 sxs cmt 10-160'-9.956'. 35 sx plug 8,108'-7,800' (Bone Springs). 25 sxs 4,703'-4,450' (San 1. 3001526969 EOG Resources, Inc. Cedar Lake 35 Federal Com #1. OCD Unit B, Sec. 35, T17S-30E 1240' FNL & 1980' FEL. Spud surface. P&A 4/16/2004 approved BLM 5/8/2004.

2. 3001527508 Three Rivers Operating Co. LLC, Power Federal Com #2. Bottom hole TD OCD Unit P, Sec. 26-T17S-R30E, BHL 617 FSL & 453' FEL. TVD 11,417'. Elev 3544' GL. Spud 9/17/1993. 13-3/8" 48# H-40 @518' w/450 sxs circulated. 9-5/8" 36# K-55 @3305' w/1500 sxs 11351' + 35' cmt. Perf Strawn 10,504'-10,516' TVD. CIBP 10,600'. DO CIBP 10,600'. Perf Strawn Is 10,489'-10,502' acid 2,000 gal 15% HCl., circulated. 4-1/2" 11.6# S-95 @11551 KB w/1830 sxs, cale TOC 1750'. TD 11,417'- TVD Perf Morrow 11,373-11,396'. Acid 4285 gal. CIBP Frac w/4500 gal 15% gel. Tubing 2-3/8" w/ pkr @10,399'. Strawn gas/oil.

WELL COMPLETION DIAGRAM

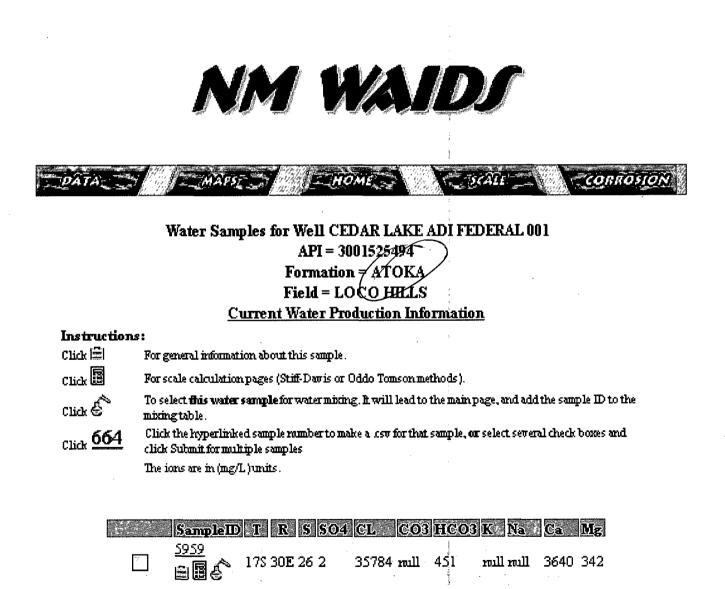


Form 3160-5 Page 2 Anadarko Petroleum Corporation Power Fed Com #2

- 7. TIH with 279 jts of 4½" 11.6# S-95 R-3 csg with float shoe and float collar, DV tool and 15 centralizers. Set float shoe at 11,551' KB set, set float collar at 11,509' KB and set DV tool at 7997' KB. Ran centralizers on middle of 1st jt, on 4th jt, 7, 10, 21, 24, 27, 37, 40, 84,86, 159, 190, 194 and 2nd jt down from surface. Ruff coated pipe 4 jts 11,422' 11,254', 6 jts 10,667' 10,415', and 2 jts 10,004' 9919'.
- 8. RU Halliburton and pumped 23.8 bbls Super Flush 102 and cemented 1st stage with 475 sx Lead cement. (Halliburton Lite Premium with ½#/sx Flocele, 4/10 of 1% Halad 322). Tailed in with 245 sx Premium cement with 3/10 CFR-3, 5/10 Halad 22A and 4# KCL/sx. Plug down at 11:40 p.m., 10-31-93. Held OK. Dropped bomb and opened DV tool with 900# PSI. Started circ thru DV tool for 6 hrs. Circ 215 sx cement to pit. 2nd stage cementing pumped 910 sx Halliburton Lite Premium with ½# Flocele and 4/10 of 1% Halad 322. Tailed in with 200 sx Premium Heat cement. Plug down at 7:20 a.m., 11-01-93. Held OK. Did not circ cement.
- 9. Ran Temp Survey. Found cement top at 1750' from surface. Nippled down. Set 4½" csg slips. Cut off 4½" csg and released rig at 9:00 p.m., NM, 11-01-93

Item VII:

- 1. The maximum injected volume anticipated is 15,000 BWPD. Average anticipated is 10,000 BWPD.
- 2. Injection will be through a closed system.
- 3. Maximum injection pressure is expected to be 1,642 psi.
- 4. Sources will be produced water. These will be compatible with waters in the disposal zone.
- 5. Water sample analysis from the Enervest Operating, LLC Cedar Lake ADI Federal #1, Sec. 24, T17S-R30E, Eddy Co., NM, API 30-015-25494, Loco Hills Atoka. (Source: NM WAIDS):



Item VIII:

The Wolfcamp carbonates in this area are believed to have been diagenetically dolomitized. Such carbonate alteration often results in enhanced porosity. Testing, in Nadel and Gussman Permian, LLC Atalaya Federal No. 1, Item VI(a), well 2, confirmed water in those carbonates. The Wolfcamp formation is overlain and underlain by bounding shales and carbonates of the Abo and Cisco, respectively, that essentially prevent vertical migration of formation or disposal waters.

		Wew Mexico Office of the State Engineer Wells with Well Log Information					
	Bieln/County Search:	No wells foun	1.				
	Barlin: Capitar						
	UTMNA EBS Radius Search (in m	<u>terez</u>					
	Ea rting (X): 592.260	Northling (Y): 3628830	Radiuji: 3300				
	d by the NWO SEVEC and is accepted by or suitability for any periodian purpose of		il he OSE/ISC make no warraniles, ex	pressed or implied , concerning the accuracy, completeness			
3/6/11 3:31 PM	a salaning in ang perional purpos o	Page 1 of	1	WELLS WITH WELL LOG INFORMATION			

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. These are underlain by the Permian Rustler Formation and some evaporites. The top of the Yates Formation of the Artesia Group is at 1,500'. 8-5/8" csg set @4,506' has cement circulated to the surface.

Item IX:

Acidize perforations in the Wolfcamp between 8,210' and 8,975' in 5-1/2" casing with approximately 20,000 gal of 20% HCl.

Item X:

Logs are on file with the OCD.

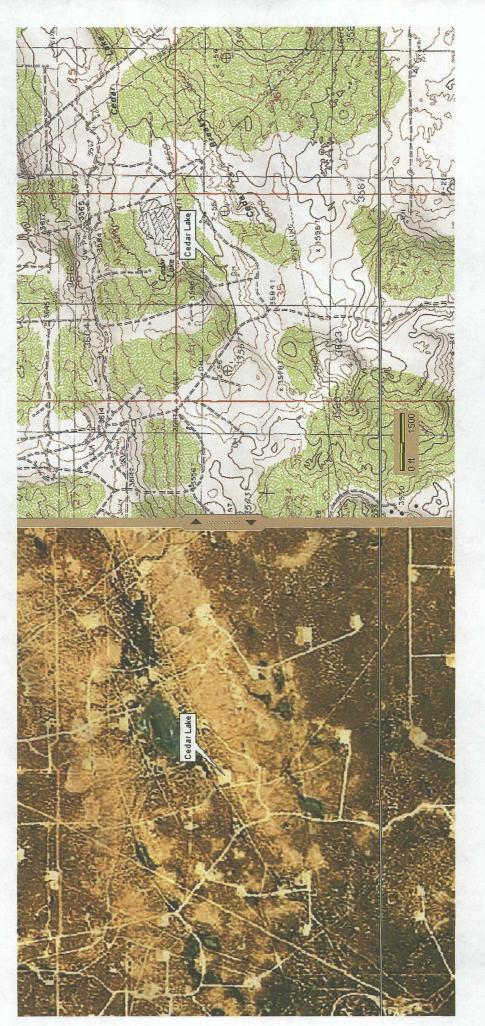
Item XI:

No water wells are reported the 2-mile area. Please not Item VIII above.

Item XII:

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

SPOT10 Satellite and Matching Topographic Map



Directions to location: From Loco Hills intersection of CR-217 and US-82 proceed east 1.7 miles, continue south for 1.4 miles, bear SE for 0.6 miles, turn east for 0.15 miles to location access road on left (north). Location pad is 650 ft north on the east side of the access road.

API 30-015-26969

Mesquite SWD, Inc. Cedar Lake 35 Federal Com No. 1 1240' FNL & 1980' FEL Sec. 35, T17S-R30E Eddy County, NM

Item XIII:

Surface and Minerals Owner:

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

Operators:

Asher Enterprises LTD, Co. 12808 Lorien Way Oklahoma City, OK 73170

Enervest Operating, LLC 1001 Fannin St. Ste. 800 Houston, TX 77002

EOG Resources, Inc. P.O. Box 2267 Midland, TX 79701

Nadel and Gussman Permian, LLC 601 N. Marienfeld, Ste. 508 Midland, TX 79701

BLM Surface Lessee

Williams & Son Cattle Co. P.O. Box 30 Maljamar, NM 88264

Item XIII:

Legal Publication

API 30-015-26969

Affidavit of Publication 21584 NO. STATE OF NEW MEXICO County of Eddy: 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 March 9, 2011 Second Publication Third Publication Fourth Publication **Fifth Publication** Subscribed and sworn to before me this 9th day of 2011 March OFFICIAL SEAL anny Scott OTARY PUBLIC Danny Scot 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) 626-4518, is seeking approval from the New Mexico Oil Conservation Division to re-enter the EOG Resources, Inc., Cedar Lake 35 Federal Com No. 1 well API: 30-015-26969, located 1240 feet from the north line and 1980 feet from the east line of Section 35 T17S, R30E, Eddy County, NM, 3.2 miles southeast of Loco Hills intersection of CR-217 and US-82, and complete for commercial produced water dis- posal as the Mesquite SWD, Inc. Cedar Lake 35 Federal Com No. 1. The proposed disposal interval is the Wolfcamp Formation through cas- ing perforations approximately 8,210 feet to 8,975 feet (OA). Mesquite SWD; Inc. plans to dispose of a maximum of 10,000 BWPD with a maximum pressure of 1,642 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 S. St. Francis Dr., Santa Fe, NM 87505.				
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Mesquite SWD, Inc. 161968 P.O. Box 1479 Carlsbad, NM 88221

C-108 Ancillary Data

- 1. API: 30-015-26969
- 2.. Original Lease Name: Cedar Lake 35 Federal Com #1 New name used here: No
- 3. Legal publication lay distance description: "3.2 miles southeast of Loco Hills intersection of CR-217 and US-82"
- 4. AOR data: All wells are shown in summary and detail in **Item VI**: Data on unplugged wells in AOR that penetrate proposed disposal zone:
 - 3001527508 Three Rivers Operating Co. LLC, Power Federal Com #2. Bottom hole TD OCD Unit P, Sec. 26-T17S-R30E, BHL 617' FSL & 453' FEL. TVD 11,417'. Elev 3544' GL. Spud 9/17/1993. 13-3/8" 48# H-40 @518' w/450 sxs circulated. 9-5/8" 36# K-55 @3305' w/1500 sxs circulated. 4-1/2" 11.6# S-95 @11551 KB w/1830 sxs, calc TOC 1750'. TD 11,417'- TVD Perf Morrow 11,373-11,396'. Acid 4285 gal. CIBP 11351' + 35' cmt. Perf Strawn 10,504'-10,516' TVD. CIBP 10,600'. DO CIBP 10,600'. Perf Strawn ls 10,489'-10,502' acid 2,000 gal 15% HCl., Frac w/4500 gal 15% gel. Tubing 2-3/8" w/ pkr @10,399'. Strawn gas/oil.
- 5. AOR well count as shown in Item VI (b): 16 (3 shallower active, 1 deep P&A, 1 deep active, 11 shallower P&A).
- 6. P&A wells in AOR count: 12 (including target re-entry P&A 4/16/2004 rest all shallower).
- List of formation tops applicable to AOR: Yates 1500, 7-Rivers 1875, Queen 2532, San Andres (EOG) 3368, Wolfcamp 8172, Strawn 10,208, Atoka 10,402, lower Morrow (EOG) 11,103, Chester 11,438, Miss lime 11,551, Woodford 12,083, Devonian 12,147.
- 8. Producing or non-P&A wells in proposed disposal AOR: Wells that penetrates proposed disposal interval:

3001527508 Three Rivers Operating Co. LLC, Power Federal Com #2. Bottom hole TD OCD Unit P, Sec. 26-T17S-R30E, BHL 617' FSL & 453' FEL. TVD 11,417'.

9. Is proposed SWD in a depleted zone/well? No.

- 10. Why is proposed interval non-productive? No production from this interval in greater area.
- 11. Notification and related acreage is shown in Item XIII:

M-P Sec. 26 Asher Enterprises LTD, Co.

M -Sec. 25 Enervest Operating, LLC, Asher Enterprises LTD, Co.

A-L Sec. 35 Nadel & Gussman Permian, LLC, EOG Resources, Inc.

D-E Sec 36 Enervest Operating, LLC, Asher Enterprises LTD, Co.

12. Surface owner, as shown in Item XIII, is: BLM Lessee Williams & Son - has been notified.

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

LEASEHOLD INTEREST

(1) S/2 NE/4 - - - - 81.25% Anadarko Petroleum Corporation 18.75% Weller Energy, Inc.
(2) N/2 NE/4 - - - - 100% Phillips Petroleum Co.
(3) SE/4 - - - - 16.67% Fair Oil LTD 25.00% Anadarko Petroleum Corporation 25.00% Phillips Petroleum Corporation 25.00% Read & Stevens, Inc. 8.33% Richard L. Ray

OIL & GAS LEASES AND OIL & GAS RIGHTS SUBJECT TO THIS AGREEMENT

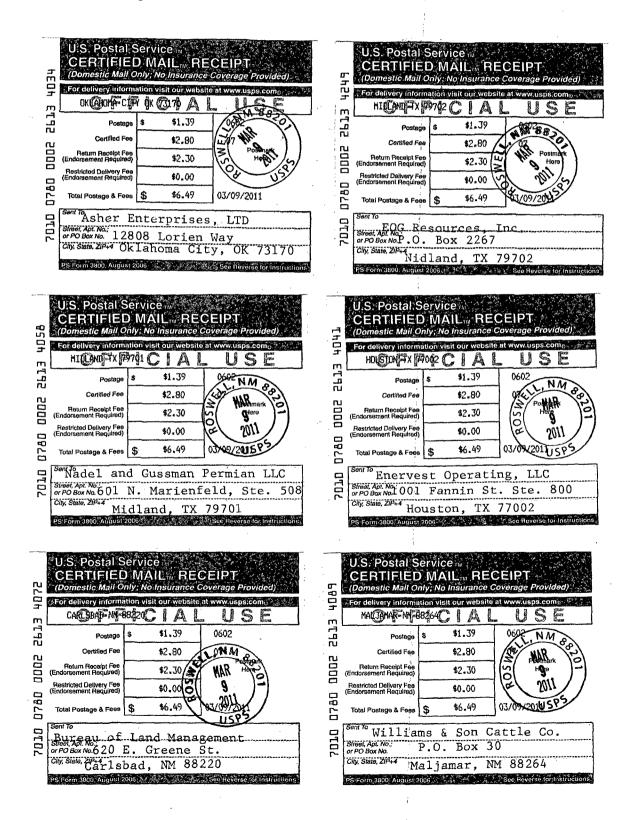
Lease #	Ownership	Mineral Interest		
LC 028992 a S/2 NE/4, Sec. 26	ÚSA – – –	100%		
LC 028992 c N/2 NE/4, Sec. 26	USA	100%		
LC 030570 b SE/4	USA:	100%		

Date of Operational Agreement - - - April 30, 1993 Depth & Formation Restrictions - - the limited horizons between 4000' and the base of the Morrow formation.

Item XIII:

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Certified Mail Receipts



Jones, William V., EMNRD

From: Sent: To: Subject: Attachments: Kay Havenor [khavenor@georesources.com] Tuesday, May 03, 2011 2:02 PM Jones, William V., EMNRD Cert Mail 3001526969 Cert mail p-2 Cedar Lake-35.pdf; Cert mail p-2 Cedar Lake-35.tif

Will,

May I respectfully request you add the attached page to the end of the Cedar Lake C-108. Thank you for pointing-out my lack of notification to Three Rivers Operating.

Kay

Kay C. Havenor, Ph.D., PG. CPG GeoScience Technologies 904 Moore Ave Roswell, NM 88201-1144 (575) 626-4518

Item XIII:

Certified Mail Receipts (page 2).

848 1	U.S. Postal S CERTIFIED (Domestic Mail O For delivery informe AUSTINETX 57	D MÁI níy, No li ation visit	Le RE(nsurance (CEIPT coverage Provided) al www.usps.coma.
<u> </u>	Sen# 3 \$	5 408	2 2 4 50	
2613	Postage	\$	\$1.48	0602
	Certified Fee		\$2.85	and a second
2000	Return Receipt Fee (Endorsoment Required)		\$2.30	Cooperty Cooperty
	Restricted Delivery Fee (Endorsament Required)		\$0.00	(1107 E
0780	Total Postage & Fees	\$	\$6.63 2	05/03/2011
D,	Sent To Three R	iver	Oner	ALAS CO. LLC
0104	Streadt, Apt. No. or FO Box No. 1122	s. (Capita	1 Tex Hwy325
	City, State, ZIP+4 Au	stin	, TX 7	8745
	PS Form 3800, August 2	2006 ° a '	9	See Revorce for Instructions

API 30-015-26969

Jones, William V., EMNRD

From:Jones, William V., EMNRDSent:Saturday, April 30, 2011 3:46 PMTo:'Kay Havenor'Cc:Ezeanyim, Richard, EMNRD; 'Wesley_Ingram@blm.gov'Subject:Disposal application from Mesquite SWD Inc.: Cedar Lake 35 Fed Com #1 30-015-26969
Wolfcamp 8210 to 8975

Hello Dr. Havenor:

Please send another "post conversion" wellbore diagram on this well showing an internal plug set approx 200 feet below the disposal interval – or as the BLM requires.

Please send notice, or obtain a waiver from, Three Rivers as operator of a deep well in SE/4 of Section 26. The application reports that M-P of Sec 26 is Asher, but the well file on this deep well indicate that ownership may be common from 4000 feet to base of Morrow. If your research shows otherwise, let me know.

Thanks for this.

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

Jones, William V., EMNRD

From:	Jim Keisling [jkeisling@3rnr.com]
Sent:	Thursday, May 19, 2011 5:57 AM
То:	Jones, William V., EMNRD
Cc:	KHavenor@georesources.com
Subject:	Cedar Lake 35 Federal Com #1

Three Rivers has no objections to the proposed salt water disposal.

James D. (Jim) Keisling, PE VP Engineering Three Rivers Operating Company LLC 1122 S. Capital of Texas Hwy Suite 325 Austin, TX 78746 512-600-3182 office 713-898-2511 cell ikeisling@3rnr.com

WFXPMX		Permit Date		mr (M/A/D	Ý	
# Wells Well Name(s):	edge Lok	e 35 Fal	Com	#	·	
API Num: 30-0 5-269	Spud [Date: 3/29/9	New/Old:	UIC primacy March	n 7, 1982)	
Footages_1240 FIVL	TIPS FELDI	it B Sec 35 Ts	<u>175</u>	Rge 30E County	EDDY	
General Location: 2.4	mis. of	Loco AIL				
Operator: Ne Quite	SWDITIC		Contact	Kay Have	mor	
OGRID:RU	E 5.9 Compliance (Wells	Yr_	(Finan As	sur) 0 K IS 5.9 OK	³ oK	
Well File ReviewedCurren	t Status: PEA	TOLD M	on pr	TOFA well		
Planned Work to Well:		j				-
Diagrams: Before Conversion_	After Conversion	_Elogs in Imaging File	: 421			
Well Details	Sizes HolePipe	Setting Depths	A tage Tool	Cement Sx or Cf	Determination Method	
NewExistingSurface		626		325+200	CIRC	:
NewExisting	11 8 ^{3/8}	4506'	1007	1950 +250	CIRC	c))
New_Existing LongS	7'18 5/2	12,500'		940 1260	CIRC 2200 A	عد'
New_Existing Line					\$4870	ton
New_Existing _ OpenHole	• <u> </u>					
Depths/Formations	Depths, Ft.	Formation	Tops?			
Formation(s) Above	5172	wa		· 		. (
Injection TOP	8210	we	Max. PSI	642 OpenHole	_Perfs_	
Injection BOTTOM	8975	wC	Tubing Size	3/2 or ET (8 Backer Depth	8160	
Formation(s) Belov	9736	Pon		Vale	71,500	
Capitan Reef?(Potash?	<u></u> Noticod?)-[WIP	P?Noticod?	🚽 Salado Top	/Bot	Cliff House?	
Fresh Water: Depths:	Formation	Wells	? YONE AN	alysis?Affirmative \$	Statement	
Disposal Fluid Analysis?	Sources: Cov	-0-				
		wy child				
Disposal Interval: Analysis?	Production Potentia	0 /				
Notice: Newspaper Date 3	Y Surface Owner	BLM	William 1	Mineral Owner(s)		
RULE 26.7(A) Affected Person	S: ASHON/En	enest / EOG	NEG	P		•
AOR: Maps? Well List?	Producing in Interval?		ırams?			
Active Wells Repa	irs? WhichWells?				Notice 3	RY
P&A_Wells O Repa	rs? Which Wells?				HERE /	/