

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF MESQUITE SWD, INC.
TO APPROVE PRODUCED WATER DISPOSAL
WELL IN EDDY COUNTY, NEW MEXICO.**

CASE NO. 20312

APPLICATION

Mesquite SWD, Inc. ("Mesquite"), OGRID No. 161968, through its undersigned attorneys, hereby makes this application to the Oil Conservation Division pursuant to the provisions Rule No. 19.15.4.8 for an order approving drilling of a produced water disposal well in Eddy County, New Mexico. In support of this application, Mesquite states as follows:

(1) Mesquite proposes to drill the Fontus SWD #1 well at a surface location 613 feet from the North line and 2490 feet from the West line (Unit C) of Section 32, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico for the purpose of operating a produced water disposal well.

(2) Mesquite seeks authority to inject produced water into the Siluro-Devonian formation through the open-hole interval from approximately 14,500' to 15,700'.

(3) Mesquite further seeks approval of the use of 7 inch tubing inside the surface and intermediate casings and 5 ½ inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 40,000 bbls per day.

(4) Mesquite anticipates a maximum injection pressure of 2,900 psi, or as controlled by depth.

(5) On or about June 27, 2018, Mesquite filed with the Division, an administrative application for approval of the subject well for produced water disposal. Subsequent to that filing

date, the Division received an objection to the application from COG Operating, LLC. Mesquite then initiated negotiations with COG Operating, LLC to attempt to resolve the objection. An agreement between Mesquite and COG Operating, LLC resulted in the Fontus SWD Well No. 1 being moved a distance of 72 feet east of the originally proposed location.

(6) After a discussion with the Division, Mesquite, on or about November 29, 2018, submitted an amended application for the Fontus SWD No. 1 containing documents directed to be filed by the Division. The Division did not require re-notification of offset operators and/or leasehold owners due to the minimal distance the well was moved from the original location.

(7) On December 7, 2018, Mesquite was notified by the Division that the subject application was denied for administrative approval, and that the option to set the matter for hearing before a Division Examiner remained an option.

(8) The original C-108 application filed by Mesquite, as well as the amended application subsequently filed by Mesquite are attached hereto in Attachment A. Please note that any reference to the location of the Fontus SWD No. 1, as reflected in the original C-108, being 2418 feet from the West line are to be replaced by 2,490 feet from the West line.

(9) The granting of this application will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Mesquite requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2019; and that after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: Deana M. Bennett

Deana Bennett
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: Application of Mesquite SWD, Inc., for approval of produced water disposal well in Eddy County, New Mexico. Applicant seeks an order approving disposal into the Silurian-Devonian formation through the Fontus SWD #1 well at a surface location 613 feet from the North line and 2490 feet from the West line (Unit C) of Section 32, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico for the purpose of operating a produced water disposal well. Mesquite seeks authority to inject produced water into the Silurian-Devonian formation at a depth of approximately 14,500' to 15,700. Mesquite further seeks approval of the use of 7 inch tubing inside the surface and intermediate casings and 5 ½ inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 40,000 bbls per day. Said area is located approximately 10.5 miles South of Malaga, New Mexico.

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE INFORMATION FOR OCC USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: Mesquite SWD, Inc OGRID Number: 161968
 Well Name: Fontas SWD Well No. 1 API: NA
 Pool: SWD, Devonian Pool Code: NA

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (REGULATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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.

Melanie Wilson

Print or Type Name

Melanie Wilson
 Signature

11/29/18
Date

(575) 914-1461
Phone Number

mjp1692@gmail.com
e-mail Address



November 29, 2018

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Heather Riley
Division Director

Re: Amended Form C-108
Fontus SWD Well No. 1
API No. (Not Yet Assigned)
613' FNL & 2490' FWL, (Unit C)
Section 32, T-25S, R-28E, NMPM,
Eddy County, New Mexico

Dear Ms. Riley,

On or about June 27, 2018 Mesquite SWD, Inc., ("Mesquite") submitted a Form C-108 for its proposed Fontus SWD Well No. 1, which was originally to be drilled 613 feet from the North line and 2418 feet from the West line (Unit C) of Section 32, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. Subsequent to that filing date, COG Operating, LLC, an operator and/or leasehold owner within the 1-mile Area of Review and Notice Area, filed an objection to the application with the Division.

Please be advised that Mesquite and COG Operating, LLC have come to an agreement regarding the application, and as a result of that agreement, the Fontus SWD Well No. 1 has been moved 72 feet east of the originally proposed location. The new well location is **613 feet from the North line and 2490 feet from the West line (Unit C) of Section 32, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico.**

Mesquite respectfully submits the following documents to support the proposed amended C-108 application:

1. A revised Division Form C-102 showing the new well location for the Fontus SWD Well No. 1;
2. A land status map showing that the well is located on a fee lease owned by Mr. David Fritschy. (Note: Notice of the original application was provided to this surface owner);
3. An amended 1-Mile Notice Area Map. It should be noted that as a result of moving the well location, the 1-mile notice area changed slightly. The NE/4 NE/4 of Section 6, Township 26 South, Range 28 East, NMPM, is no longer within the notice area, and the SE/4 NW/4 of Section 28, Township 25 South, Range 28 East, NMPM, is now within the notice area. Please note however, that this additional 40-acre tract is operated or leased by COG Operating, LLC.;

Mesquite SWD, Inc.
Application to Amend Form C-108
Fontus SWD Well No. 1

4. A re-examination of the Area of Review well data as a result of the amended well location indicates that two additional wells, which should have been included in the original application, are now submitted for the Division's review. Neither of these wells penetrate the Devonian formation, and consequently, should have no affect on the application;
5. The executed agreement between Mesquite and COG Operating, LLC dated October 9, 2018 which stipulates certain conditions whereby COG Operating, LLC will withdraw their objection to the application.

Please note that there are no additional material changes to the application that was submitted on June 27, 2018.

I believe all the information necessary to approve the application is attached hereto, and in the documents previously submitted. A discussion with OCD Engineering Bureau personnel indicated that as a result of the slight change in the well location for the Fontus SWD Well No. 1, no additional notice and no re-publication is necessary.

If additional information is needed, please contact me at (575) 914-1461.

Sincerely,



Melanie Wilson-Regulatory Analyst
Mesquite SWD, Inc.
P.O. Box 1479
Carlsbad, New Mexico 88221-1479

Xc: OCD-Artesia

COG Operating, LLC
One Concho Center
600 W. Illinois
Midland, Texas 79701

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name FONTUS SWD	Well Number
OGRID No.	Operator Name MESQUITE SWD	Elevation 2972.1'

Surface Location

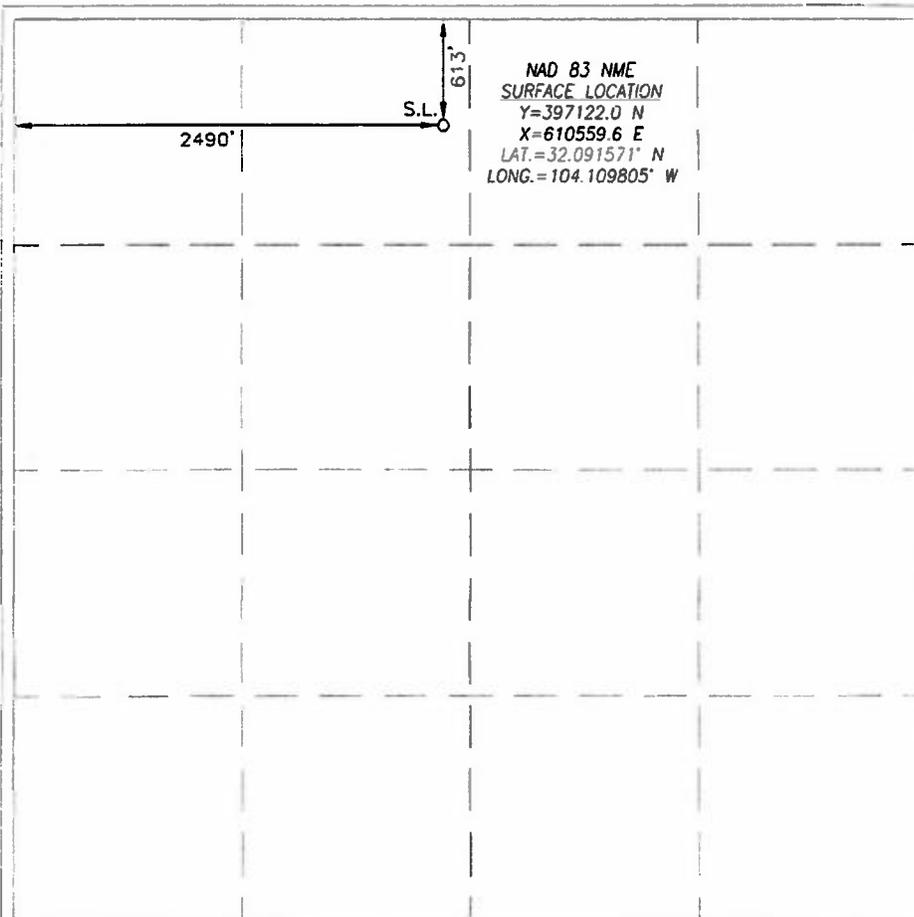
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	25-S	28-E		613	NORTH	2490	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

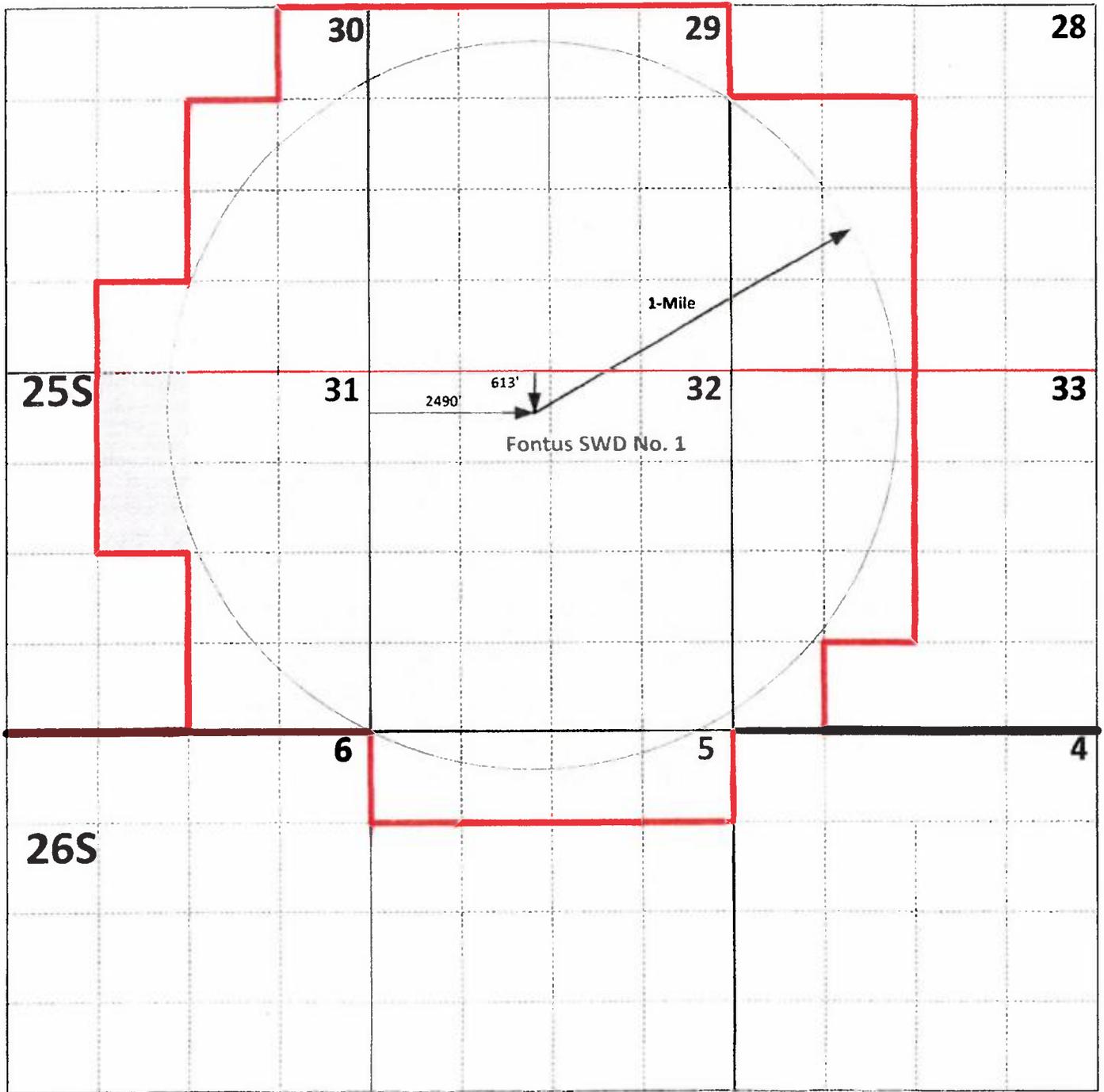
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 27, 2018

Date of Survey

Signature & Seal of Professional Surveyor



28 East

Amended C-108 Application
 Mesquite SWD, Inc.
 Fontus SWD Well No. 1
 1-Mile Notice Area



1-Mile Notice Area
 COG Operating LLC
 Operated Acreage
 Chevron USA, Inc.
 Leashold



MESQUITE SWD, INC.
FONTUS SWD WELL NO. 1
AMENDED ONE MILE AREA OF REVIEW WELL LIST

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	FTG. N/S	N/S	FTG. E/W	E/W	UNIT	SEC.	TSHP.	RNG.	TVD	MD	COMPLETION
30-015-02520	Aldridge & Stroud, Inc.	Signal State	2	Oil	PA	660'	S	1980'	W	N	28	25S	28E	2,473'		WC Delaware
30-015-44296	COG Operating, LLC	MYOX 20 Fed. Com	5H	Oil	Active	330'	N	2090'	E	B	20	25S	28E	7,976'	17,853'	Bone Spring
					BHL	200'	S	2127'	E	O	29	25S	28E			



September 19, 2018

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

Re: Fontus SWD Well No. 1 Letter Agreement
Section 32, T25S-R28E, Eddy County, New Mexico ("Section 32")

Mr. Wilson:

Reference is made to the application of Mesquite SWD, Inc. ("Mesquite"), dated June 27, 2018, wherein Mesquite seeks approval of Oil Conservation Division Form C-108 (Application for Authorization to Inject, "the Application") for the Fontus SWD No. 1 (the "Well") to inject produced water for disposal purposes into the Siluro-Devonian formation. In consideration for the terms set forth herein, COG Operating LLC ("COG") agrees to waive objection to the application for authorization to inject upon the following conditions:

1. Mesquite will change the Well's surface location to 613' FNL & 2,490' FWL of Section 32. Drilling the Well in this manner allows COG to fully develop Section 32. Mesquite acknowledges that moving the surface location of the Well is a material inducement for COG to not protest the Application. If Mesquite does not move the surface location of the Well to the aforementioned location, COG will object to the Application of the Well.
2. Mesquite will run a wireline continuous gyro throughout the wellbore of the Well and agrees to give COG access to all such data in order to reduce the risk of wellbore collision that may be present with COG's current and future development.
3. Mesquite will provide COG with all data collected in the wellbore of the Well no later than thirty (30) days after Mesquite collects or has access to such data.

Mesquite's operations in connection with its drilling, casing, cementing, equipping or operating the Well will not restrict or impede COG's access to its well heads or surface facilities, or in any way interrupt or impair COG's access to or exploration, development or production operations on its leasehold.

If you agree with the foregoing terms and provisions of this agreement, kindly signify your approval in the space provided below for your signature and return to Mike Wallace at the letterhead address. This agreement shall be null and void for all purposes and of no further force and effect unless countersigned by Mesquite and returned to COG on or before October 15, 2018.

[Signatures on the following page]



Very truly yours,

COG Operating LLC

Mark A. Carter
By: Mark A. Carter
Title: Attorney In Fact *MW*

THIS AGREEMENT IS APPROVED AND ACCEPTED THIS *9th* DAY OF *October*, 2018.

MESQUITE SWD, INC.

By: *Carl Wilson*
Name: *CARL WILSON*
Title: *President*
Date: *10/9/18*

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: Mesquite SWD Inc.

ADDRESS: P O. Box 1479, Carlsbad, New Mexico 88221-1479

CONTACT PARTY: Melanie Wilson

PHONE: 575-914-1461

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 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: Melanie Wilson

TITLE: Regulatory Analyst

SIGNATURE: 

DATE: 6/27/18

E-MAIL ADDRESS: mjp1692@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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

DISTRICT I
1825 N. FRENCH DR., BOBBS, NM 88240
Phone: (575) 368-0181 Fax: (575) 368-0788

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1263 Fax: (575) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name FONTUS SWD	
OGRID No.	Operator Name MESQUITE SWD	Well Number 1
		Elevation 2971.9'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	25-S	28-E		613	NORTH	2418	WEST	EDDY

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

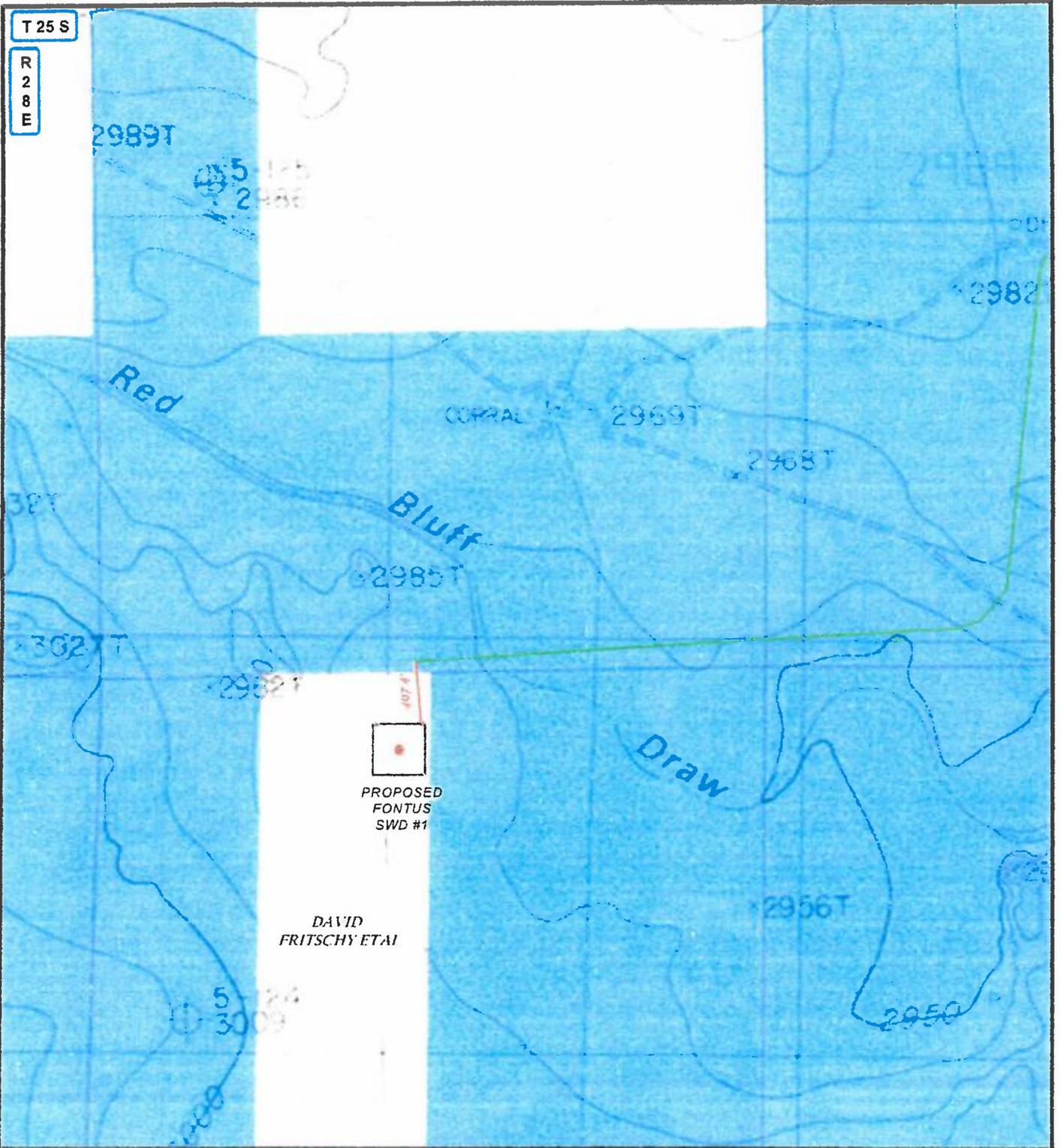
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

<p style="text-align: center;">NAD 83 NME <u>SURFACE LOCATION</u> Y=397121.1 N X=610487.2 E LAT.=32.091569° N LONG.=104.110039° W</p>	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p style="text-align: center;">MAY 29, 2018 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;"> <p>Chad L. HARCROW NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR</p> </div> <p>Certificate No. CHAD HARCROW 17777 W.O. #18-582 DRAWN BY: CD</p>
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T 25 S

R 28 E



PROPOSED
FONTUS
SWD #1

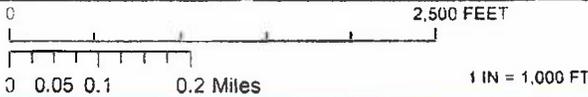
DAVID
FRITSCHY ET AL

LEGEND

- WELL
- WELLPAD
- PROPOSED ROAD
- EXISTING ROAD
- PRIVATE
- STATE OF NM
- US BLM

FONTUS SWD #1

SEC: 32	TWP: 25 S.	RGE: 28 E.	ELEV: 2971.9'
STATE: NEW MEXICO		COUNTY: EDDY	613' FNL & 2418' FWL
W.O. # 18-582	LEASE: FONTUS SWD		SURVEY: N.M.P.M



LOCATION OVERVIEW	LAND STATUS	6/11/2018	S.P.
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MESQUITE SWD



HARCROW SURVEYING, LLC.
 2314 W. MAIN ST, ARTESIA, NM 88210
 PH: (575) 746-2158 FAX: (575) 746-2158
 TEXAS FIRM NO. 10194089
 c.harcrow@harcrowsurveying.com

INJECTION WELL DATA SHEET

OPERATOR: Mesquite SWD, Inc.

WELL NAME & NUMBER: Fontus SWD Well No. 1

WELL LOCATION: 613' FNL & 2418' FWL C 32 25S 28E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC
(SEE ATTACHED)

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 26" Casing Size: 20" 94# J55 BTC
Cemented with: 400 sx. or ft³
Top of Cement: Surface Method Determined: Circulate

1st Intermediate Casing

Hole Size: 17.5" Casing Size: 13.375" 54.5# NE80 BTC
Cemented with: 1450 sx. or ft³
Top of Cement: Surface Method Determined: Circulate

2nd Intermediate Casing

Hole Size: 12.25" Casing Size: 9.625" 53.5# P110 BTU
Cemented with: 2200 sx. or ft³
Top of Cement: Surface Method Determined: Circulate

Liner

Hole Size: 8.5" Casing Size: 7.625" 39# ECP-110 J-2/STL FJ
Cemented with: 200 sx. or ft³
Top of Cement: 9400' Method Determined: Circulate to TOL

Total Depth: Approximately 15,700'

Injection Interval

Approximately 14,500' To 15,700'
(Perforated or Open Hole; indicate which) Open Hole

Tubing Size: Tapered String 7" 26# P110/ 5" 15# P110 Lining Material: Fiberglass Coated
Type of Packer: Lok-Set or Equivalent
Packer Setting Depth: Approximately 14,500'
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 Injection Formation: Siluro-Devonian

3. Name of Field or Pool (if applicable): SWD; Devonian

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: None

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Delaware River-Bone Spring Pool; North Hay Hollow-Bone Spring Pool; Red Bluff-Bone Spring Pool; (Depths: 6,600'-8,000') Purple Sage-Wolfcamp Gas Pool (Depths: 9,400'-10,200') Red Bluff-Delaware Pool (Depths: 5,965')

(Note: See attached OCD Pool Maps- Circa 2011)

Mesquite SWD, Inc.
Fontus SWD No. 1: Proposed Wellbore Schematic
613' FNL & 2418' FWL (Unit C)
Section 32, T-25S, R-28E, NMPM, Eddy County, NM

Surface Casing:

Hole Size: 26"
 Size: 20" 94# J-55 BTC
 Set @: 350'
 Sx. Cmt: 400
 TOC: Surface

1st Intermediate Casing:

Hole Size: 17.5"
 Size: 13.375" 54.5# NE80
 Set @: 2,650'
 Sx. Cmt: 1450
 TOC: Surface

2nd Intermediate Casing

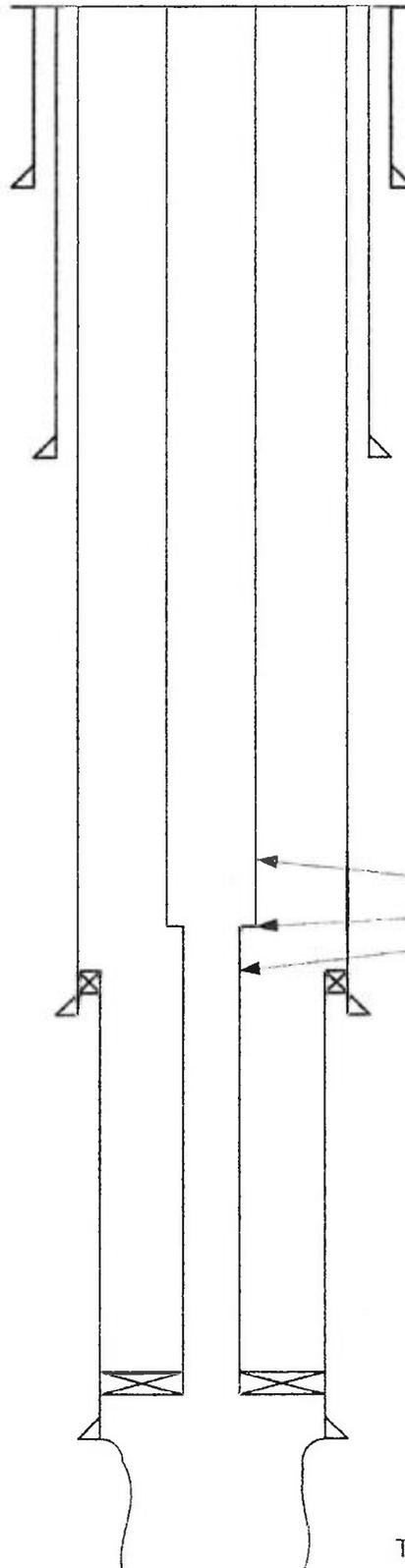
Hole Size: 12.25"
 Size: 9.625 53.5# P110 BTU
 Set @: 9,900'
 Sx. Cmt: 2200
 TOC: Surface

Liner

Hole Size: 8.5"
 Size: 7.625" 39# ECP-110 J-2/STL FJ
 Set @: 9,400'-14,500'
 Sx. Cmt: 200
 TOC: 9,400' (Liner Top)

Open Hole Injection Interval

Hole Size: 6 1/2"
 Interval: 14,500' - 15,700'



Formation Tops:

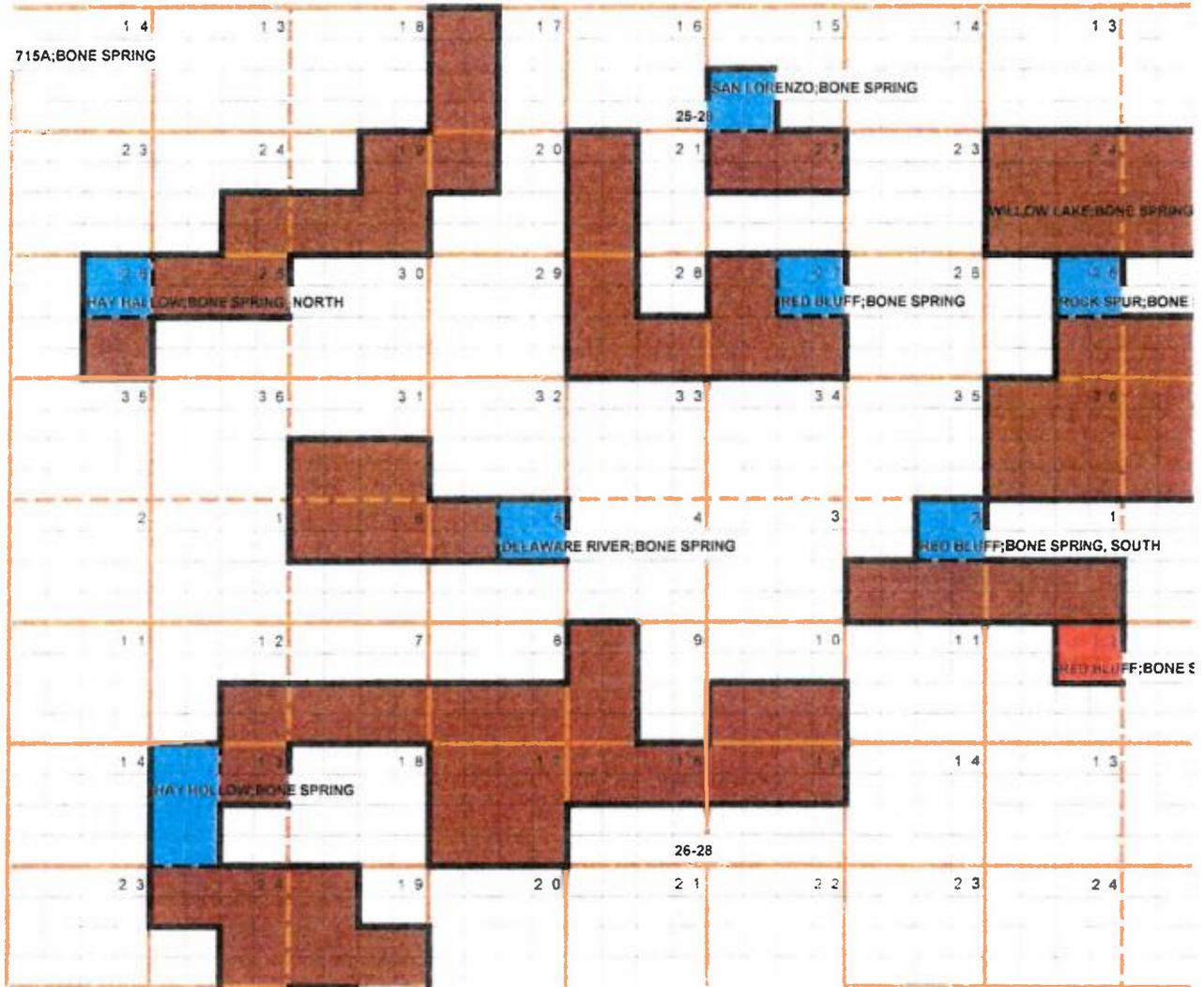
Top of Salt:	766'
Base of Salt:	2,274'
Bone Spring:	6,079'
Wolfcamp:	9,120'
Strawn:	11,705'
Atoka:	12,020'
Morrow:	12,601'
Mississippi Lime:	13,921'
Top Siluro-Devonian:	14,339'
Montoya:	15,700'

(Note: Formation tops based on offset Apple 5 State SWD No. 1 located in Section 5, T-26S, R-28E)

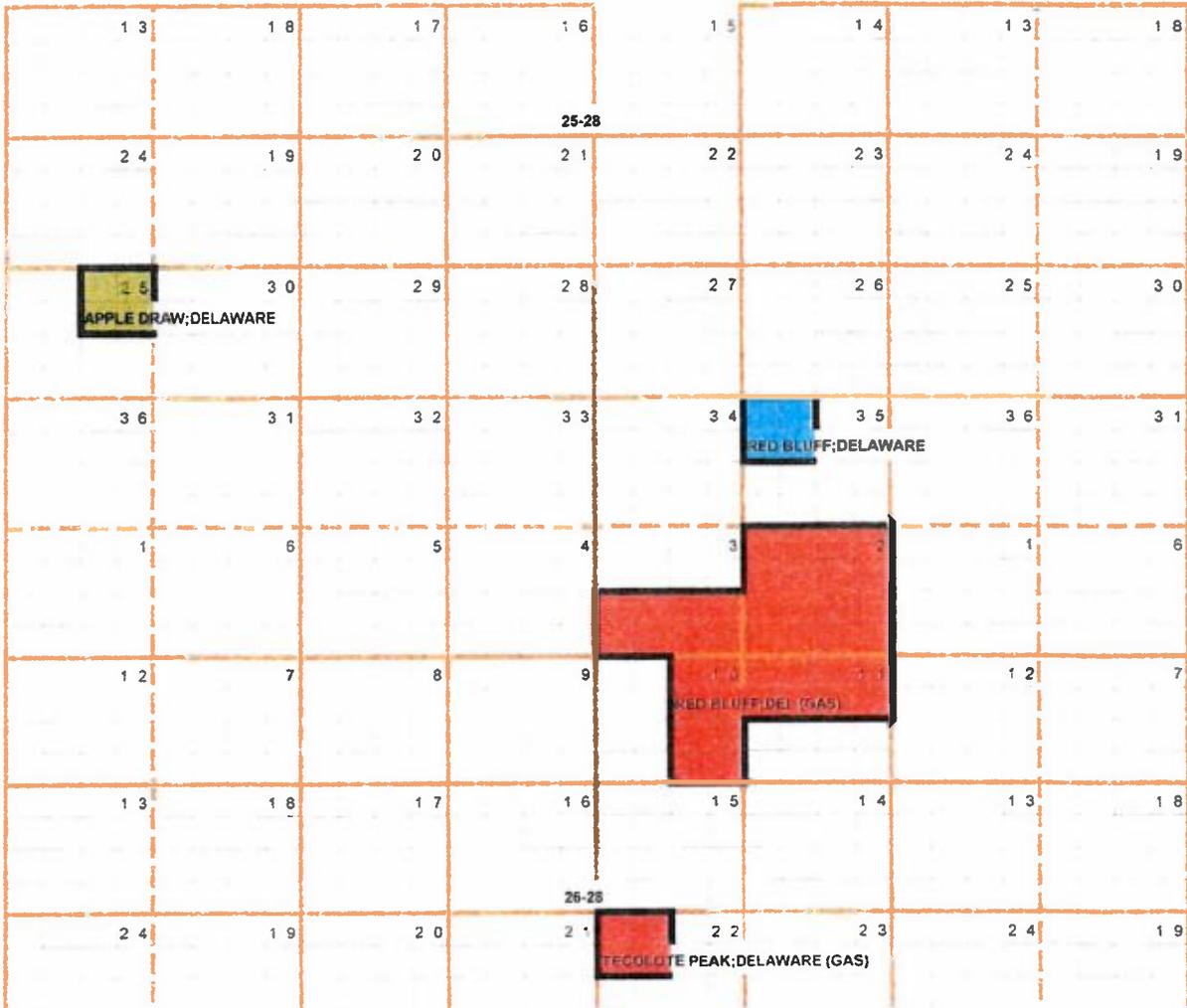
Injection Tubing

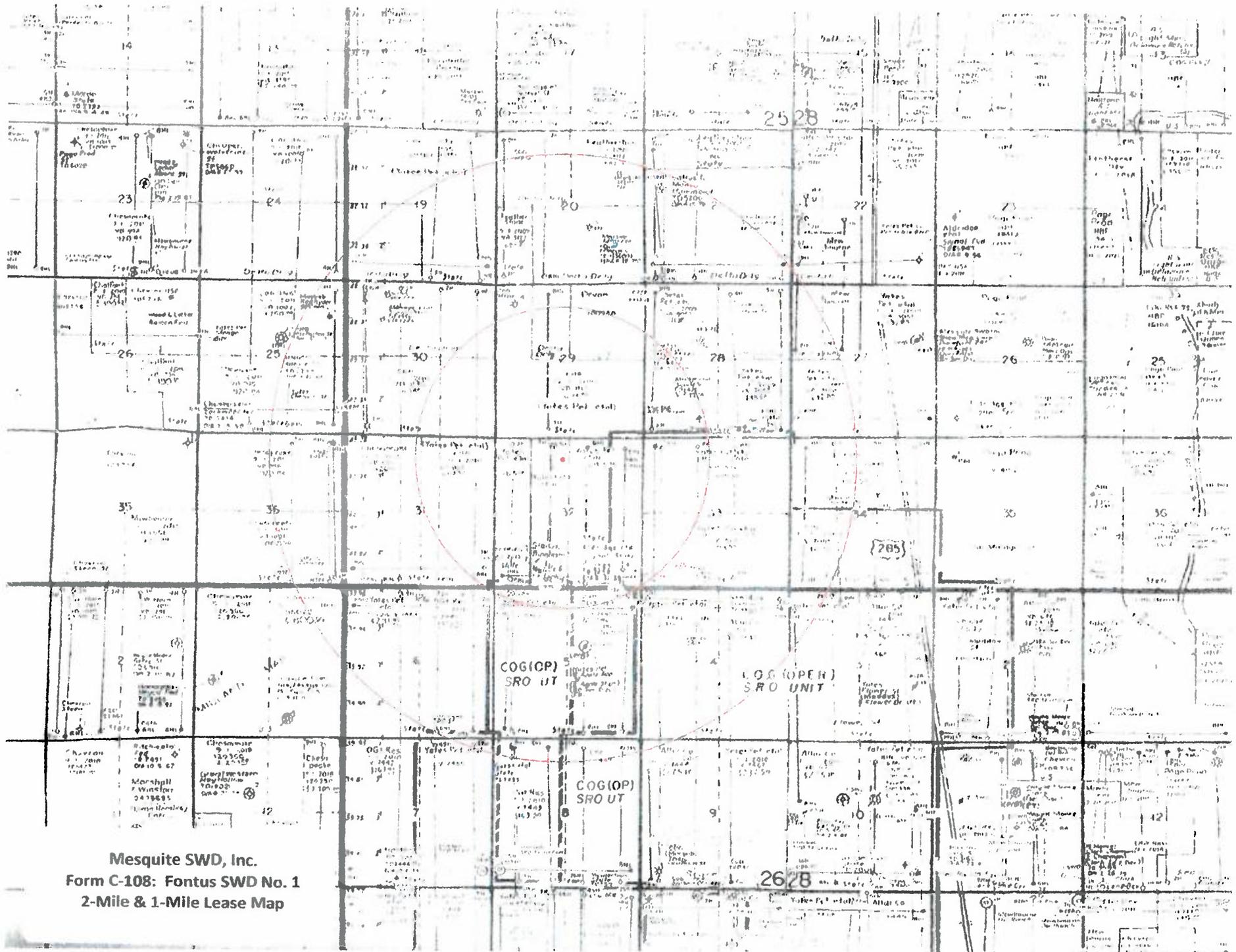
7" 26# P-110 Tbg: Surface-9,105'
 7" x 5" X Over @ 9,200'
 5" 15# P-110 Tbg. 9,200'-14,495'
 7 5/8" x 5" Dual Bore Permapak Packer @ 14,500'

T.D. 15,700'

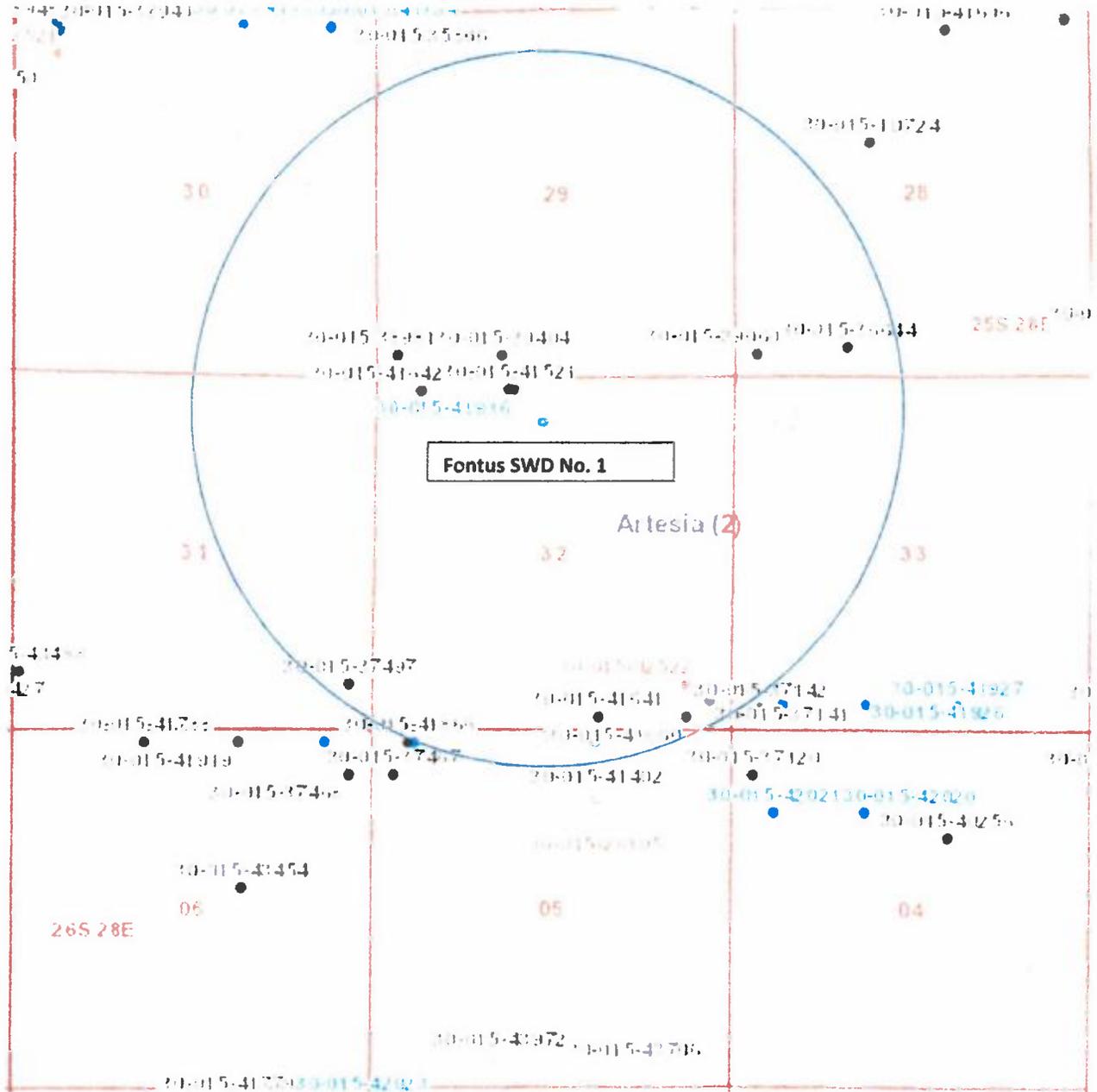


13	18	17	16	15	14	13	18
			25-28				
24	19	20	21	22	23	24	19
HAY HOLLOW WOLF CAMP (GAS)	30	29	28	27	26	25	30
36	31	32	33	34	35	36	31
1	6	5	4	3	2	1	6
12	7	8	9	10	11	12	7
13	18	17	16	15	14	13	18
			28-28				
24	19	20	21	22	23	24	19





Mesquite SWD, Inc.
 Form C-108: Fontus SWD No. 1
 2-Mile & 1-Mile Lease Map



Mesquite SWD, Inc.
Form C-108: Fontus SWD No. 1
1-Mile Area of Review Map

MESQUITE SWD, INC.
FONTUS SWD WELL NO. 1
ONE MILE AREA OF REVIEW WELL LIST

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	FTG. N/S	N/S	FTG. E/W	E/W	UNIT	SEC.	TSHP.	RNG.	TVD	MD	COMPLETION
30-015-38981	COG Operating, LLC	MYOX 29 State	1H	Oil	Active	330'	S	330'	W	M	29	25S	28E	6,614'	11,015'	Bone Spring
					BHL	341'	N	344'	W	D	29	25S	28E			
30-015-39404	COG Operating, LLC	MYOX 29 State Com	3H	Oil	Active	330'	S	1870'	W	N	29	25S	28E	7,941'	12,348'	Bone Spring
					BHL	333'	N	1759'	W	C	29	25S	28E			
30-015-41521	COG Operating, LLC	MYOX 32 Fee	2H	Oil	Active	190'	N	1980'	W	C	32	25S	28E	7,948'	12,446'	Bone Spring
					BHL	330'	S	1965'	W	N	32	25S	28E			
30-015-41936	COG Operating, LLC	MYOX 32 Fee	5H	Oil	New	190'	N	2080'	W	C	32	25S	28E	NYD	10,452'	Bone Spring
					BHL	330'	S	1880'	W	N	32	25S	28E			
30-015-41641	COG Operating, LLC	MYOX 32 State	1H	Oil	Active	190'	S	1980'	E	O	32	25S	28E	8,028'	12,510'	Bone Spring
					BHL	346'	N	1943'	E	B	32	25S	28E			
30-015-41642	COG Operating, LLC	MYOX 32 State	3H	Oil	Active	190'	N	660'	W	D	32	25S	28E	7,901'	12,262'	Bone Spring
					BHL	340'	S	636'	W	M	32	25S	28E			
30-015-37141	COG Operating, LLC	SRO State Com	2H	Oil	Active	430'	S	330'	E	P	32	25S	28E	6,551'	10,958'	Bone Spring
					BHL	430'	S	330'	W	M	32	25S	28E			
30-015-41660	COG Operating, LLC	SRO State Com	12H	Oil	Active	190'	S	660'	E	P	32	25S	28E	8,048'	12,531'	Bone Spring
					BHL	343'	N	626'	E	A	32	25S	28E			
30-015-41917	COG Operating, LLC	MYOX 5 State	2H	Oil	New	190'	N	1980'	E	B	5	26S	28E	NYD	12,558'	Bone Spring
					BHL	330'	S	1980'	E	O	5	26S	28E			
30-015-43706	COG Operating, LLC	MYOX 5 State Com	22H	Gas	Active	225'	S	2280'	E	O	5	26S	28E	9,481'	19,587'	Wolfcamp
					BHL	56'	N	2334'	E	B	32	25S	28E			
30-015-43972	COG Operating, LLC	MYOX 5 State Com	23H	Gas	Active	420'	S	1775'	W	N	5	26S	28E	10,239'	20,210'	Wolfcamp
					BHL	317'	N	1628'	W	C	32	25S	28E			
30-015-41934	COG Operating, LLC	SRO State	28H	Oil	New	190'	N	660'	W	D	5	26S	28E	NYD	12,460'	Bone Spring
					BHL	330'	S	660'	W	M	5	26S	28E			
30-015-41866	COG Operating, LLC	SRO State Com	46H	Oil	Active	190'	N	550'	W	D	5	26S	28E	5,965'	10,492'	Delaware
					BHL	363'	S	417'	W	M	5	26S	28E			

MESQUITE SWD, INC.
FONTUS SWD WELL NO. 1
ONE MILE AREA OF REVIEW WELL LIST

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	FTG. N/S	N/S	FTG. E/W	E/W	UNIT	SEC.	TSHP.	RNG.	TVD	MD	COMPLETION
30-015-41734	COG Operating, LLC	MYOX 30 State Com	1H	Oil	New	190'	N	660'	E	A	30	25S	28E	NYD	17,710'	Bone Spring
					BHL	330'	S	660'	E	P	31	25S	28E			
30-015-41735	COG Operating, LLC	MYOX 30 State Com	2H	Oil	New	190'	N	1980'	E	B	30	25S	28E	NYD	17,712'	Bone Spring
					BHL	330'	S	1980'	E	O	31	25S	28E			
30-015-37497	COG Operating, LLC	MYOX 31 State Com	13H	Oil	Active	660'	S	330'	E	P	31	25S	28E	6,615'	11,052'	Bone Spring
					BHL	655'	S	270'	W	M	31	25S	28E			
30-015-39060	COG Operating, LLC	MYOX 28 State	2H	Oil	Active	330'	S	330'	W	M	28	25S	28E	8,052'	12,669'	Bone Spring
					BHL	330'	N	350'	W	D	28	25S	28E			
30-015-36644	COG Operating, LLC	MYOX 28 State Com	6H	Oil	Active	430'	S	1650'	W	N	28	25S	28E	8,450'	10,190'	Bone Spring
					BHL	430'	S	1650'	W	N	28	25S	28E			
30-015-37142	COG Operatin, LLC	SRO State Com	9H	Oil	Active	330'	S	430'	W	M	33	25S	28E	6,754'	11,150'	Bone Spring
					BHL	341'	N	406'	W	D	33	25S	28E			
30-015-41925	COG Operating, LLC	SRO State Com	35H	Oil	New	380'	S	760'	W	M	33	25S	28E	NYD	12,341'	Bone Spring
					BHL	330'	N	660'	W	D	33	25S	28E			
30-015-41926	COG Operating, LLC	SRO State Com	36H	Oil	New	380'	S	1980'	W	N	33	25S	28E	NYD	12,365'	Bone Spring
					BHL	330'	N	1980'	W	C	33	25S	28E			

C-108 Application
Mesquite SWD, Inc.
Fontus SWD No. 1
613' FNL & 2418' FWL (Unit C)
Section 32, T-25S, R-28E, NMPM
Eddy County, New Mexico

- I. The purpose of the application is to request approval to utilize the proposed Fontus SWD No. 1 as a produced water disposal well. This is a new well to be drilled for injection.
- II. Mesquite SWD, Inc.
P.O. Box 1479
Carlsbad, New Mexico 88221-1479
Contact Party: Melanie Wilson (575) 914-1461
- III. Injection well data sheet and wellbore schematic diagram showing the proposed wellbore configuration is attached.
- IV. This is not an expansion of an existing project.
- V. Attached are maps that identify all wells/leases within a 2-mile and 1-mile radius of the proposed water disposal well and a map that identifies the 1-mile "Area of Review" ("AOR").
- VI. A listing of all wells within the AOR, including API No., operator, well name & number, well type and status, surface and bottomhole well locations, MD and TVD and completed formation is attached. An examination of the AOR well listing shows that none of the 21 active or proposed wells within the AOR penetrate, or will penetrate the proposed injection interval.
- VII.
 1. The average injection rate is anticipated to be approximately 30,000 BWPD. The maximum rate will be approximately 40,000 BWPD. If the average or maximum rates increase in the future, the Division will be notified.
 2. This will be a closed system.
 3. Mesquite SWD, Inc. will initially inject water into the subject well at or below a surface injection pressure that is in compliance with the Division's limit of 0.2 psi/ft., or approximately 2,900 psi. If a surface injection pressure above 2,900 psi is necessary, Mesquite SWD, Inc. will conduct a step rate injection test to determine the fracture pressure of the Siluro-Devonian formation in this area.

4. Produced water from the Bone Spring, Wolfcamp, Delaware and other producing formations originating from wells in this area will be injected into the subject well. Attached are water analysis from the Wolfcamp and Bone Spring formation. Also attached are produced water analysis from various producing wells in Township 25 South, Range 28 East that produce from the Delaware, Bone Spring and Morrow formations. These produced water analysis were obtained from the GO Tech website.
5. An examination of Division records indicate that the Siluro-Devonian formation is not productive within one mile of the Fontus SWD No. 1. A produced water analysis from the Devonian formation within the Remuda Basin Unit Well No. 1, located in Section 24, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, was obtained from the Go Tech website, and is attached to this application. This produced water analysis shows a TDS of 64,582 Mg/L.

VIII. Geologic Formation: Devonian/Silurian
Estimated Top: 14,339'
Thickness: 1,361'
Lithology: Limestone w/Interbedded Dolomites

(Note: The top of the Devonian interval cited above was determined by examination of the well file for the offset Apple 5 State SWD No. 1, located in Unit B of Section 5, Township 26 South, Range 28 East, NMPM. This well is located approximately 1.25 miles Southeast of the proposed Fontus SWD No. 1, and was permitted for injection into the Devonian interval by Order No. SWD-1398 issued on February 14, 2013. Division records also indicate that this well is active, is currently injecting approximately 9,916 BWPD into the Devonian interval, and has cumulatively injected 12,658,039 barrels of water).

(Note: An examination of OCD well records indicate that there are no additional produced water disposal wells located within the nine-section area surrounding Section 32, T-25S, R-28E, NMPM.)

USDW's: According to data obtained from the New Mexico State Engineer, there is one fresh water well located within one mile of the Fontus SWD No. 1 (See Attached). This well is approximately 300 feet deep, and the depth to water is 30 feet. Mesquite SWD, Inc. has been unable to obtain a water sample from this well for analysis.

- IX. Formation chemical stimulation may be applied after completion. No other stimulation is currently planned.
- X. Logs will be filed subsequent to the completion of drilling operations. Density-Neutron is planned to be run from surface to TD.
- XI. There is one fresh water well located within a one-mile radius of the Fontus SWD No. 1. (See attached report from the OSE).
- XII. Affirmative statement is enclosed.
- XIII. Proof of Notice is enclosed.

Item VII(b) continued):

Sec 22, T25S, R28E

North Permian Basin Region
 P.O. Box 740
 Sundown, TX 78679-0740
 (800) 229-9121
 Lab Test Leader - Sheila Hernandez
 (432) 496-7260

Bone Spring

Water Analysis Report by Baker Petrolite

Company:		Sales RDT:	33514.1
Region:	PERMIAN BASIN	Account Manager:	TONY HERNANDEZ (875) 910-7135
Area:	ARTEZIA, NM	Sample #:	534685
Lease/Platform:	PINOCHE BPH STATE COM	Analysis ID #:	108785
Entry (or well #):	2 H	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 534685 @ 75 F					
Sampling Date:	03/18/11	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	03/18/11	Chloride:	109.90	3.08	Sodium:	1075.7	30.94
Analyst:	SANDRA GONGER	Bicarbonate:	1135.0	34.89	Magnesium:	193.0	18.04
TDS (mg/l or g/100l):	164811.1	Carbonate:	0.0	0.0	Calcium:	844.6	41.72
Density (g/cc, 60°F/15.6°C):	1.113	Sulfate:	747.0	14.54	Strontium:	328.0	0.02
Anion/Cation Ratio:	1	Phosphate:			Barkite:	0.5	0.01
		Silicate:			Iron:	0.5	0.02
		Sulfate:			Potassium:	539.0	22.22
Carbon Dioxide:	0.80 PPM	Hydrogen Sulfide:		0 PPM	Aluminum:		
Oxygen:		pH at time of sampling:		7	Chromium:		
Comments:		pH at time of analysis:		7	Copper:		
		pH used in calculation:		7	Lead:		
					Manganese:	0.100	0.00
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in 1000 bbl										
Temp °F	Gauge Press. psi	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press. psi
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
60	0	1.06	188.62	-1.29	0.00	-1.15	0.00	-0.11	0.00	0.56	0.29	1.72
100	0	1.10	208.06	-1.29	0.00	-1.20	0.00	-0.16	0.00	0.38	0.20	2.85
120	0	1.12	224.17	-1.38	0.00	-1.19	0.00	-0.17	0.00	0.15	0.00	3.17
140	0	1.13	243.17	-1.43	0.00	-1.18	0.00	-0.10	0.00	0.60	0.00	4.21

Note 1: When calculating the quantity of the scale problems, both the carbonate index (CI) and amount of scale must be considered.
 Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.
 Note 3: The reported CO₂ pressure is actually the estimated CO₂ fugacity. It is usually nearly the same as the CO₂ partial pressure.

Item VII(a):

Water samples from the regionally area.

Wolfcamp



Water Analysis

Date: 23-Aug-11

2708 West County Road, Hobbs NM 88240
 Phone (575) 392-5556 Fax (575) 392-7307

Analyzed For

Brushy Drive #1

Company	Well Name	County	State
	<i>BD</i>	<i>see</i>	New Mexico

Sample Source	Swab Sample	Sample #	
		<i>1</i>	<i>see</i>
Formation			<i>225-270</i>

Specific Gravity	1.170	SG @ 60 °F	1.172
pH	8.30	Sulfides	Absent
Temperature (°F)	70	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	77.062	in PPM	66.520
Calcium	in Mg/L	4.000	in PPM	3.413
Magnesium	in Mg/L	1.200	in PPM	1.024
Soluble Iron (Fe2)	in Mg/L	10.0	in PPM	9

Anions

Chlorides	in Mg/L	130,000	in PPM	110,022
Sulfates	in Mg/L	250	in PPM	213
Bicarbonates	in Mg/L	127	in PPM	108
Total Hardness (as CaCO3)	in Mg/L	15,000	in PPM	12,789
Total Dissolved Solids (Calc)	in Mg/L	213,519	in PPM	182,200
Equivalent NaCl Concentration	in Mg/L	182,865	in PPM	156,031

Scaling Tendencies

Calcium Carbonate Index	507.520
Calcium Sulfate (Gyp) Index	1,000,000

This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks RW: 04862706

Well Name	Section	Township	Range	Unit	Formation	TDS-Mgl	Sodium	Calcium	Iron	Barium	Magnesium	Potassium	Strontium	Manganese	Chloride	Carbonate	Bicarbonate	Sulfate
HOP: FEDERAL #001	1	25S	28E	F	DELAWARE	301207	109024	25348.9	34.713	2.394	2749.51	746.928	481.194		221998	0	74.4534	84.987
HOP: FEDERAL #002	1	25S	28E	C	DELAWARE	289700	104602	23783.6	45.334	2.386	2914.5	637.062	526.113		212544	0	49.5095	508.218
ODIE 4 STATE #001H	4	25S	28E	M	BONE SPRING 2ND SAND	190675.4	57102	10650	45		1414			1.3	119078		93.1	17
SIGNAL ST #002	28	25S	28E	N	MORROW	102849												
NERMAL 4 STATE #001H	4	25S	28E	C	BONE SPRING 2ND SAND	208311.9	67903	12598	31		1592			1.5	123723		61	1.7
POOKY 4 STATE #001H	4	25S	28E	A	BONE SPRING 2ND SAND	204576.5	63037.2	12091.9	28.2		1510.7			1.6	125493		48.8	0
HOP: FEDERAL #002	1	25S	28E	C	DELAWARE	170840	61640.3	5280.8	94.08	0.896	4275.04	1069.6	297.92		116903	0	110.88	1667.68

Mesquite SWD, Inc.
Form C-108: Fontus SWD No. 1
Delaware, Bone Spring & Morrow
Source Water Analysis

Well Name	Section	Township	Range	Unit	Formation	TDS, MgL	Chlorides	Bicarbonate	Sulfate
REMUDA BASIN UNIT #001	24	23S	29E	J	DEVONIAN	64582	37500	610	1700



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 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
C 02478	CUB	ED		2	1	05	26S	28E		583848	3549325*	100		

Average Depth to Water: --

Minimum Depth: --

Maximum Depth: --

Record Count: 1

PLSS Search:

Section(s): 4-6

Township: 26S

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.

6/19/18 10:44 AM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER



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

closed) (quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD			Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
	Sub-	Q	Q								
C 01275	C	ED	4 3	28	25S	28E	585470	3551338*	205	90	115
C 03836 POD1	C	ED	2 2 4	29	25S	28E	584682	3551934	300	30	270

Average Depth to Water: **60 feet**

Minimum Depth: **30 feet**

Maximum Depth: **90 feet**

Record Count: 2

PLSS Search:

Sections: 28-33

Township: 25S

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

Form C-108
Affirmative Statement
Mesquite SWD, Inc.
Fontus SWD No. 1
Section 32, T-25 South, R-28 East, NMPM,
Eddy County, New Mexico

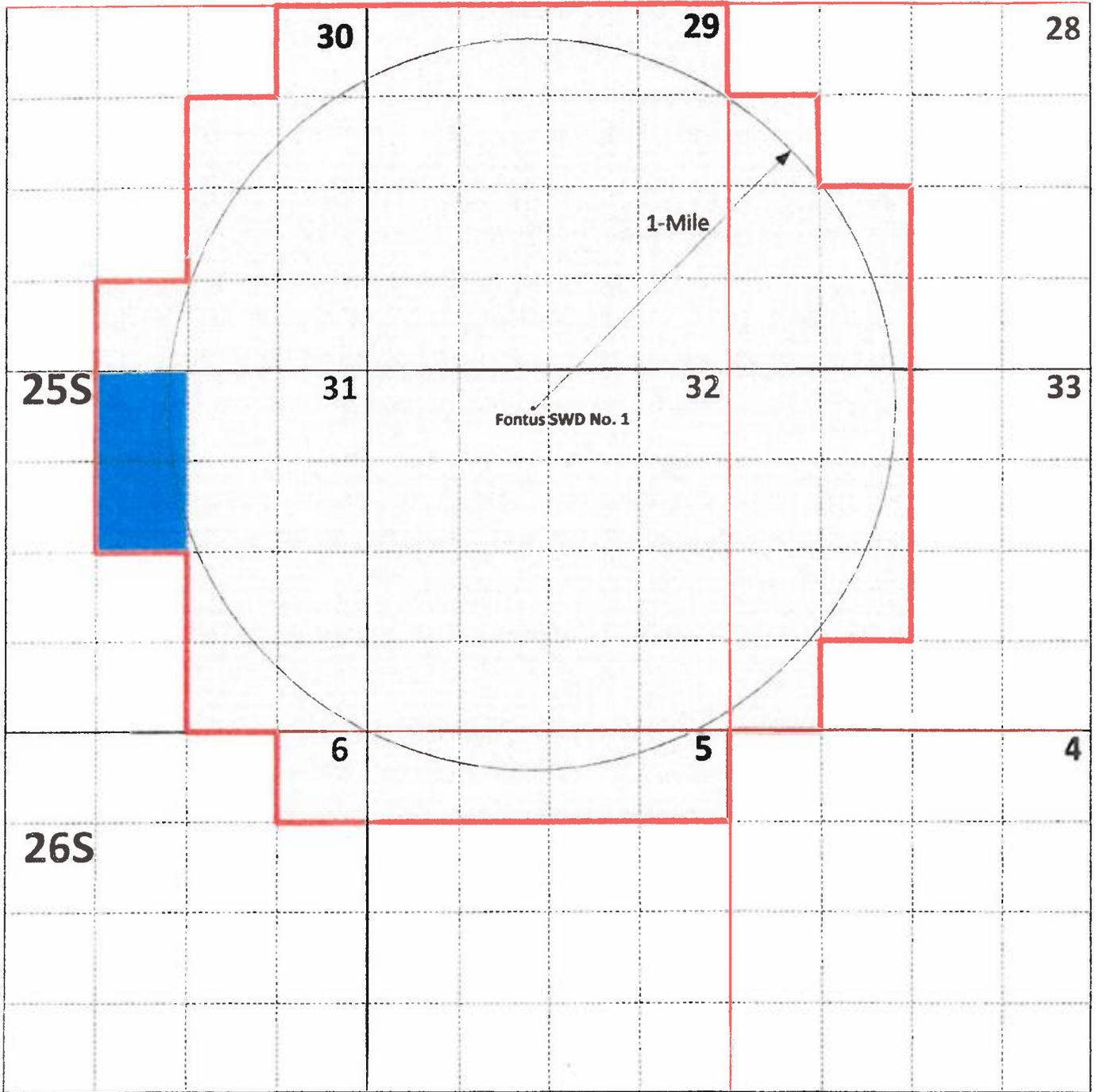
Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.



Melanie Wilson
Regulatory Analyst-Mesquite SWD, Inc.

6/27/2018

Date



28 East

C-108 Application
 Mesquite SWD, Inc.
 Fontus SWD Well No. 1
 1-Mile Notice Area



1-Mile Notice Area
 COG Operating LLC
 Operated or Leasehold
 Chevron USA, Inc. Leasehold

June 27, 2018

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: COG Operating, LLC
One Concho Center
600 W. Illinois Ave.
Midland, Texas 79701

Chevron U.S.A. Inc.
6301 Deauville Blvd.
Midland, Texas 79706

Mr. David Fritschy (Surface Owner)
315 N. Canal
Carlsbad, New Mexico 88220

Re: Mesquite SWD, Inc.
Form C-108 (Application for Authorization to Inject)
Fontus SWD Well No. 1
API No. (Not Yet Assigned)
613' FNL & 2418' FWL, Unit C, Section 32, T-25S, R-28E, NMPM,
Eddy County, New Mexico

Ladies & Gentlemen:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the Mesquite SWD, Inc. Fontus SWD No. 1. You are being provided a copy of the application as an offset operator leaseholder or as the owner of the surface where the proposed well is located. Mesquite SWD, Inc. proposes to drill the Fontus SWD No. 1 and utilize the well as a produced water disposal well, injection to occur into the Siluro-Devonian formation through the open-hole interval from approximately 14,500 feet to 15,700 feet.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (575) 914-1461.

Sincerely,


Melanie Wilson-Regulatory Analyst
Mesquite SWD, Inc.
P.O. Box 1479
Carlsbad, New Mexico 88221-1479

Enclosure

U.S. Postal Service
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

MIDLAND, TX 79706

Certified Mail Fee \$3.45

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.00

Total Postage and Fees \$3.45

Sent To: **Chevron USA, Inc.**
6301 Deauville Blvd.
Midland, Texas 79706

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Form C-108
Mesquite SWD, Inc.
Fontus SWD No. 1
Section 32, T-25 South, R-28 East, NMPM,
Eddy County, New Mexico

The following-described legal advertisement was published on June 26, 2018 in the:

Artesia Daily Press
503 W. Main Street
Artesia, New Mexico 88210-2067

The Affidavit of Publication will be forwarded to the Division upon receipt by Mesquite SWD, Inc.

LEGAL NOTICE

Mesquite SWD, Inc., P.O. Box 1479, Carlsbad, New Mexico 88221-1479, has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division ("Division") seeking administrative approval to utilize its proposed Fontus SWD No. 1 (API No. N/A) to be drilled 613 feet from the North line and 2418 feet from the West line (Unit C) of Section 32, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico and complete the well as a produced water disposal well in the Siluro-Devonian formation. Injection is to occur through the open-hole interval from approximately 14,500 feet to 15,700 feet.

Produced water from the Bone Spring, Wolfcamp and other formations originating from wells in this area will be injected into the Fontus SWD No. 1 at average and maximum rates of 18,000 and 40,000 barrels of water per day, respectively. The initial surface injection pressure for the well is anticipated to be at or below 2,900 psi., which is in compliance with Division regulations. The maximum surface injection pressure will be determined by step rate injection test.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Ms. Melanie Wilson-Regulatory Analyst-Mesquite SWD, Inc. at (575) 914-1461.

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