

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

**APPLICATION OF MESQUITE SWD, INC. TO
RE-OPEN CASE NO. 14979 TO AMEND ORDER
NO. R-13735 TO ALLOW A NEW WELL AND
NEW WELL LOCATION FOR A SALT WATER
DISPOSAL WELL, LEA COUNTY, NEW MEXICO.**

Case No. 14979 (Re-opened)

VERIFIED STATEMENT OF KAY HAVENOR

COUNTY OF CHAVES)

) ss.

STATE OF NEW MEXICO)

Kay Havenor, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Mesquite SWD, Inc. ("Mesquite"), and I am familiar with the geological matters involved in this case
3. I have been previously qualified as an expert petroleum geologist by the Division.
4. Division Order No. R-13735 approved injection into the Paduca Fed. SWD Well No. 3 for disposal of produced water into the Bell Canyon and Cherry Canyon members of the Delaware formation at depths of 4870-7250 feet subsurface. The well was located 300 feet from the north line and 1760 feet from the west line of Section 23, Township 25 South, Range 32 East, NMPM.
5. The Paduca Fed. SWD Well No. 3 (API No. 30-025-42253) was spudded, and surface casing was set and cemented. When the drilling rig arrived, it could not get back into the casing. The Bureau of Land Management (the "BLM") told Mesquite to skid the rig and re-drill the well. The rig was skidded to a location 310 feet from the north line and 1760 feet from the west line of Section 23, Township 25 South, Range 32 East, NMPM, and the new well, the Paduca Fed. SWD Well No. 3Y (API No. 30-025-42258) was drilled but has not yet been completed.
6. The BLM approved drilling the 3Y well with the provision that injection could not commence until Mesquite obtained approval to inject from the Division.

Oil Conservation Division

Case No.

Exhibit No. 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

5. Lease Serial No.
SWD R-13735 NM 110836

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
PADUCA SWD #3Y

9. API Well No.
30-025-42258

10. Field and Pool, or Exploratory
SWD, Delaware Bell, & Cherry Canyon

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 23, T25S-R32E

12. County or Parish
LEA

13. State
NM

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other SWD Single Zone Multiple Zone

2. Name of Operator
MESQUITE SWD, INC 161968

3a. Address
PO BOX 1479 CARLSBAD NM 88221

3b. Phone No. (include area code)
575-706-7288, (FOREMAN)

4. Location of Well (Report location clearly and in accordance with any State requirements*)
At surface 310' FNL & 1760' FWL
At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
27 MILES WEST OF JAL, NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)
310'

16. No. of acres in lease
1,160

17. Spacing Unit dedicated to this well
NA-SWD

18. Distance from proposed location*
to nearest well, drilling, completed, 2339'
applied for, on this lease, ft.

19. Proposed Depth
7,250

20. BLM/BIA Bond No. on file
NMB000612

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3429; GL

22. Approximate date work will start*
11/7/14

23. Estimated duration
15 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature: *[Signature]* Name (Printed/Typed): RILEY G NEATHERLIN Date: 11/10/14
Title: PRODUCTION FOREMAN

Approved by Signature: *[Signature]* Name (Printed/Typed): Stephen Carrey Date: 11/10/14
Title: Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

NMOC CONDITIONS OF APPROVAL
MAY DRILL WELL.
CANNOT DISPOSE UNTIL SWD ORDER APPROVED BY SANTA FE

KC
11/10/14

Attachment **A**

NOV 19 2014

1626 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., Abo, NM 87410
 Phone: (505) 854-6178 Fax: (505) 334-6170

DISTRICT IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-2460 Fax: (505) 476-8462

Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION

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

Revised August 1, 2011
 Submit one copy to appropriate
 District Office
 Fee Lease - 3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁶ Property Name PADUCA FEDERAL SWD	
⁷ GRID No.	⁸ Operator Name MESQUITE SWD, INC.	⁵ Well Number 34 ⁹ Elevation 3429'

¹⁰ Surface Location

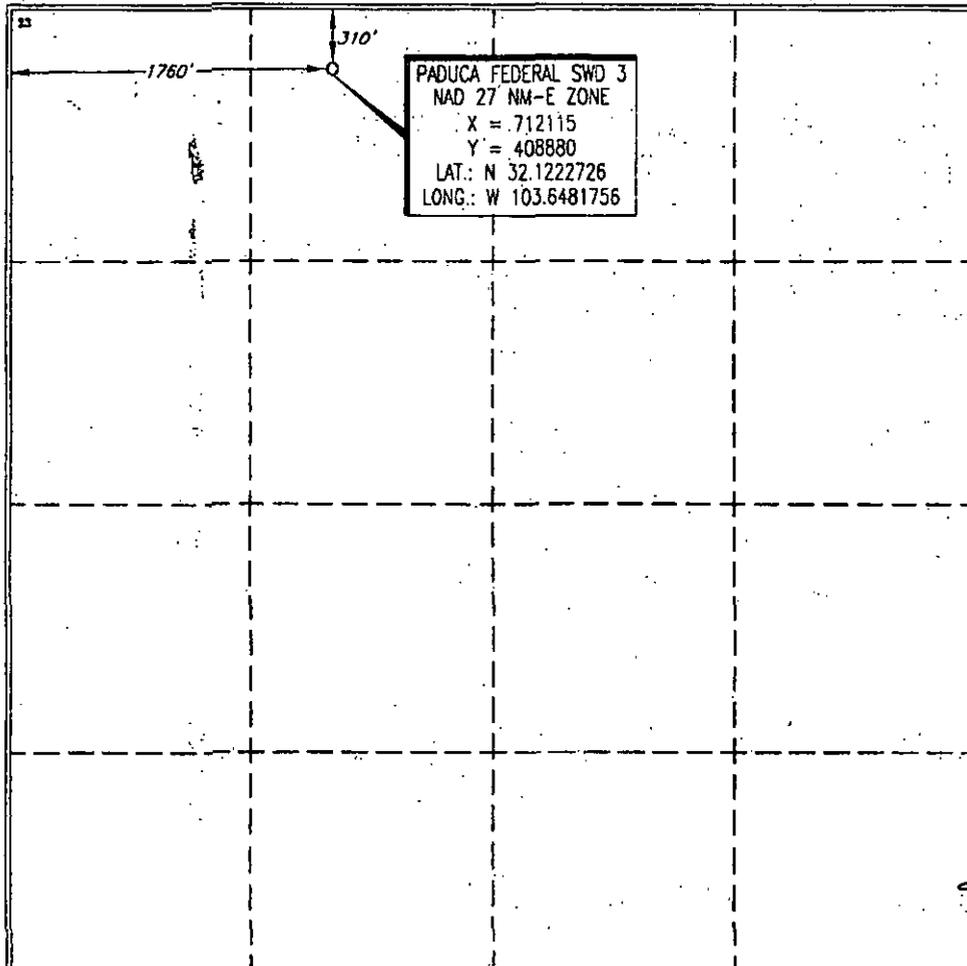
UL or lot no.	Section	Township	Range	Lot Idn	Feet from this	North/South line	Feet from the	East/West line	County
C	23	25 SOUTH	32 EAST, N.M.P.M.		310'	NORTH	1760'	WEST	LEA

¹¹ 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
X	X	X	X		X	X	X	X	X

¹² Dedicated Acres X	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WELL 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 contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] 11/10/14
 Signature Date
 Riley G Neatherlin
 Printed Name
 Rgneatherlin@gmail.com
 E-mail Address

SURVEYOR CERTIFICATION

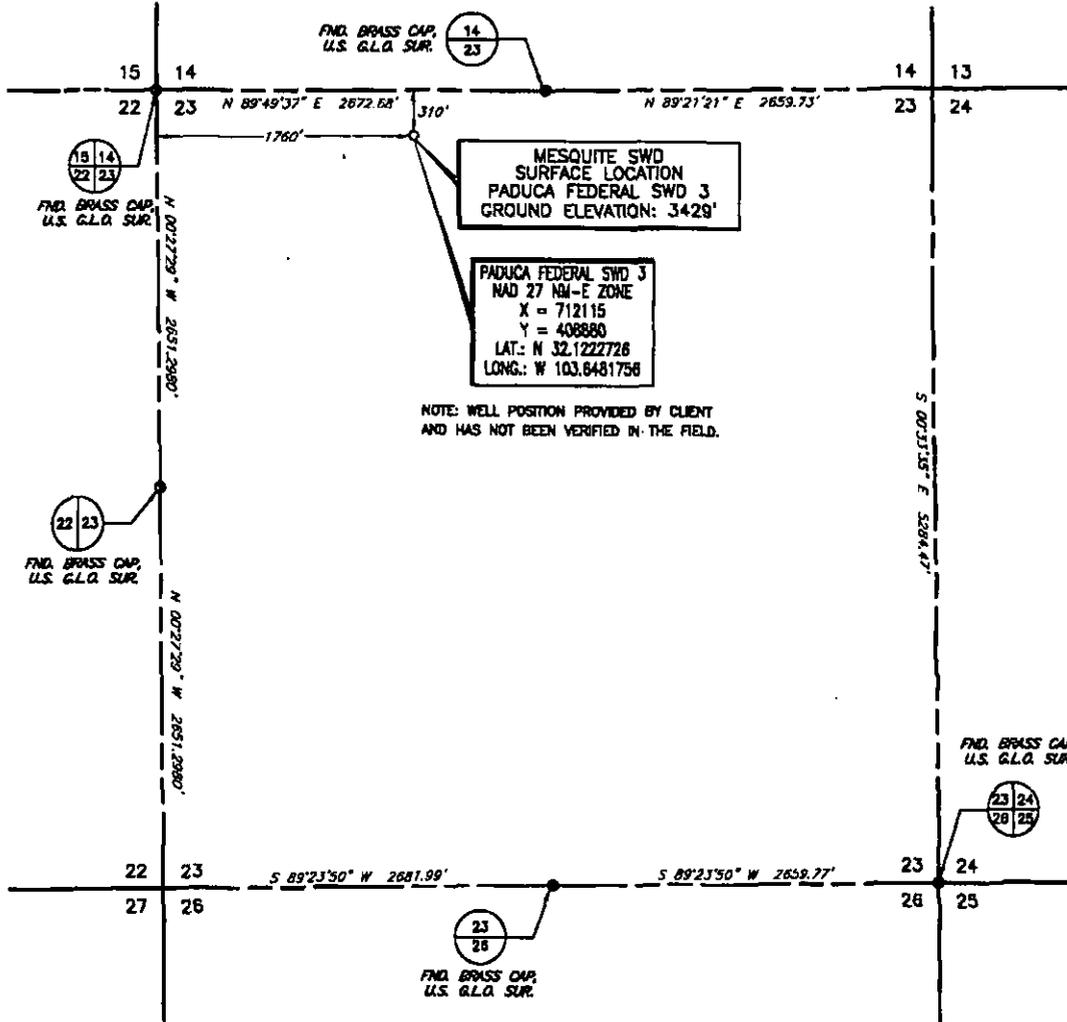
I hereby certify that the well location shown on this plat was determined by means of accurate surveying or under my supervision, and that the same is true and correct to the best of my belief.

18329
 NOVEMBER 10, 2014
 Date of Survey
 Signature and Seal of Professional Surveyor

[Signature]
 Michael Blake Brown P.S. #18329

13
 NOV 12 2014 P.M.

SECTION 23, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY



NOTE: WELL POSITION PROVIDED BY CLIENT AND HAS NOT BEEN VERIFIED IN THE FIELD.

PLAT SHOWING PROPOSED WELL LOCATION IN SECTION 23, T-25-S, R-32-E, N.M.P.M. & LEA COUNTY, NEW MEXICO

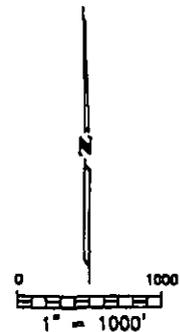


DATE OF FIELD WORK: MAY 30, 2013

I, MICHAEL BLAKE BROWN, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY UPON WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 EASEMENT SURVEYING)

MICHAEL BLAKE BROWN, P.S. #18328

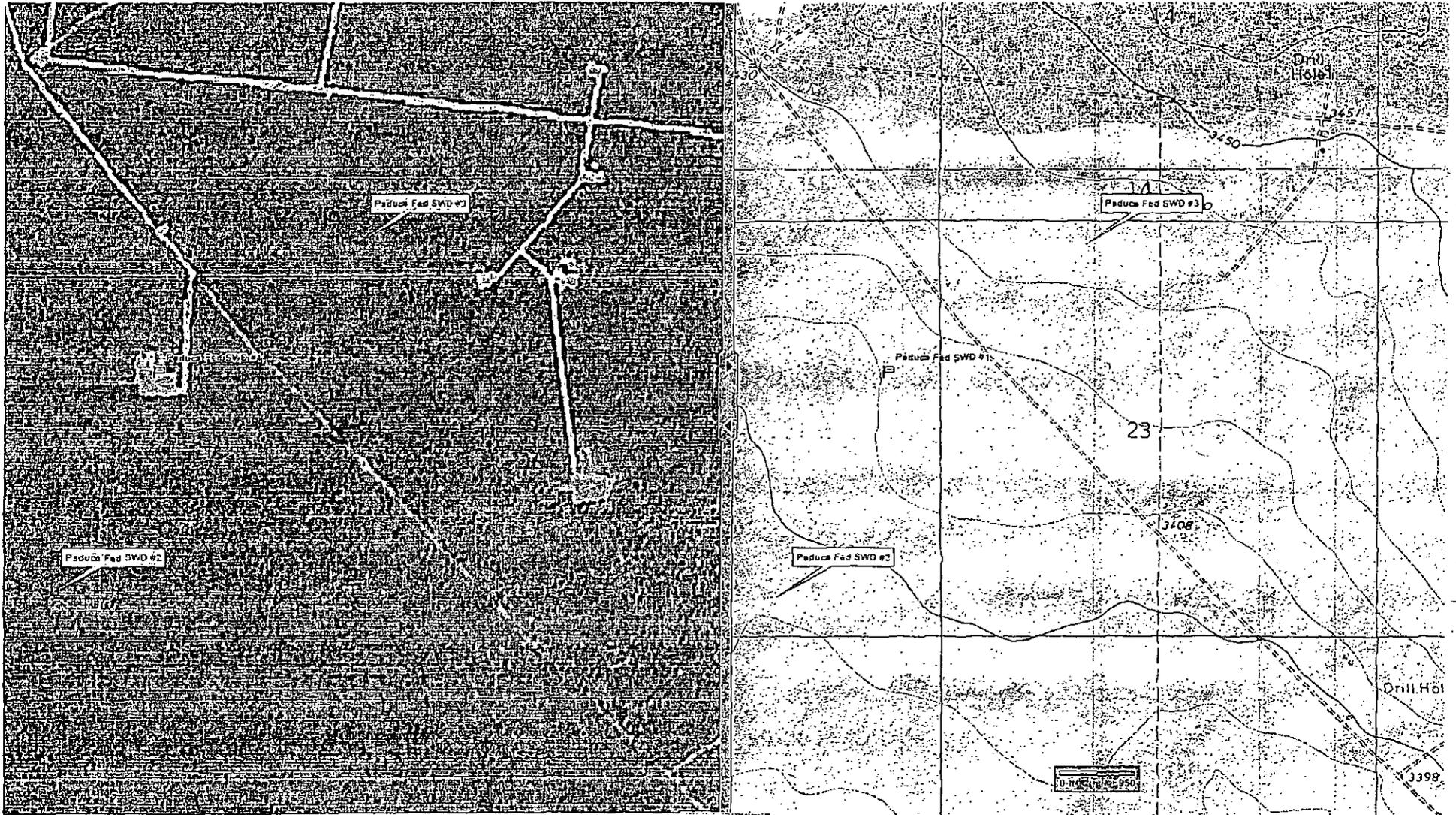
NOTE: WELL POSITION PROVIDED BY CLIENT AND HAS NOT BEEN VERIFIED IN THE FIELD.



BEARINGS AND COORDINATES BASED ON NEW MEXICO STATE PLANE GRID - EAST ZONE, NAD 27

NO.	REVISION DATE	BY	MESQUITE SWD, INC.	SCALE:	1" = 1000'
2	11/10/14	ED		DATE:	MAY 30, 2013
SURVEYED BY: BD/EB/BC			TOPOGRAPHIC SURVEYING • MAPPING • GIS • GPS	JOB NO.:	LO_PADUCA_FEDERAL_SW03
DRAWN BY: MJN				QUAD NO.:	22-81511
APPROVED BY: MBB				SHEET :	1 OF 1

Mesquite SWD, Inc.
Paduca Federal SWD #3
300' FNL & 1760' FWL
Sec. 23, T25S-R32E, Lea Co., NM

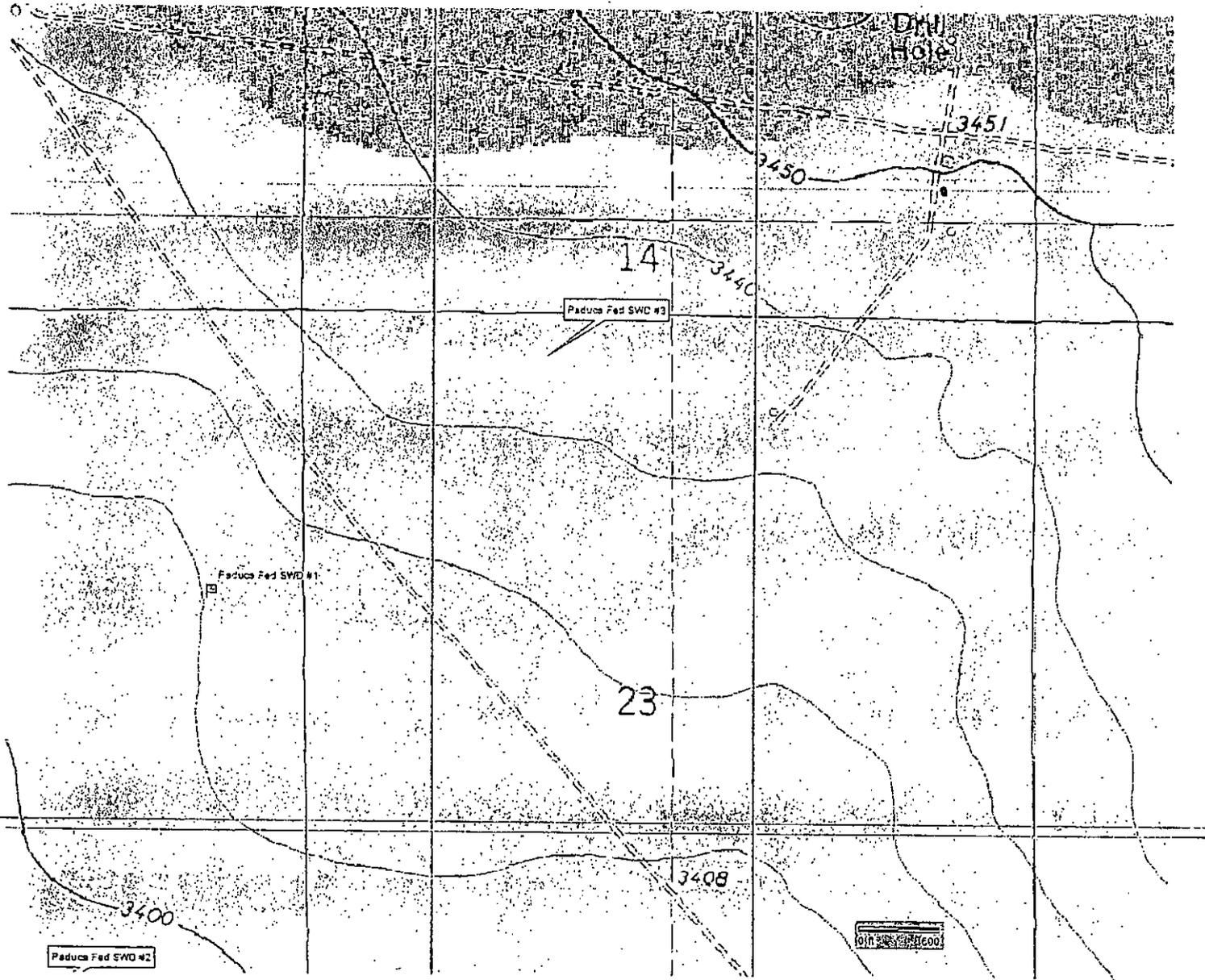


Delorme Xmap6

Paduca Federal SWD #3 will be located 5.75 miles south of NM-128 and CR-1 (Orla Road) junction then 1.4 miles southeast.

Mesquite SWD, Inc.
Paduca Federal SWD #3
300' FNL & 1760' FWL
Sec. 23, T25S-R32E, Lea Co.

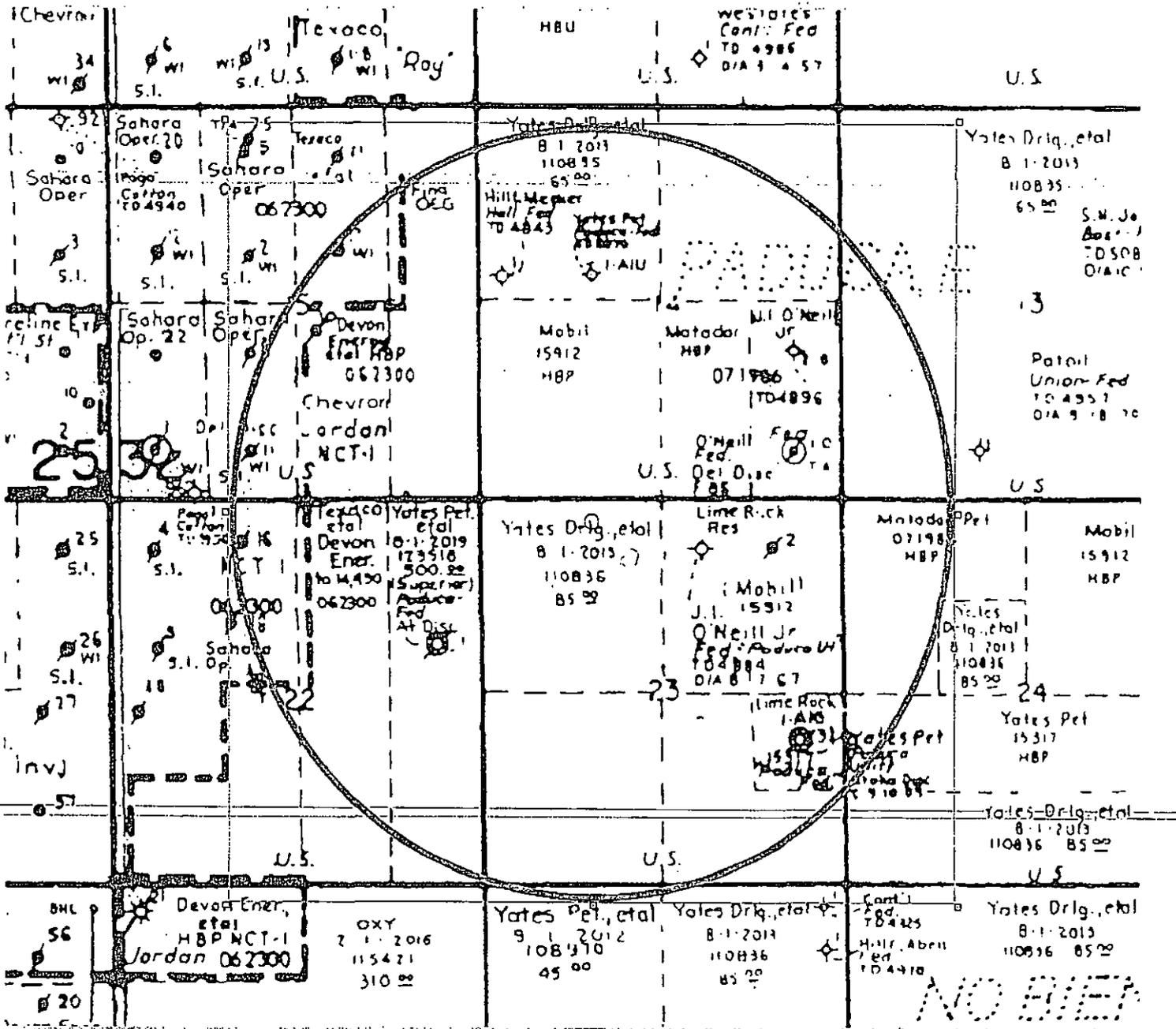
Surface Topography



Surface topography Delorme XMap6

Mesquite SWD, Inc.
 Paduca Federal SWD #3
 300' FNL & 1760' FWL
 Sec. 23, T25S-R32E, Lea Co.

1-Mile AOR



Mesquite SWD, Inc.
DRILLING PROGRAM

Paduca Federal #3, 300' FNL & 1760' FWL

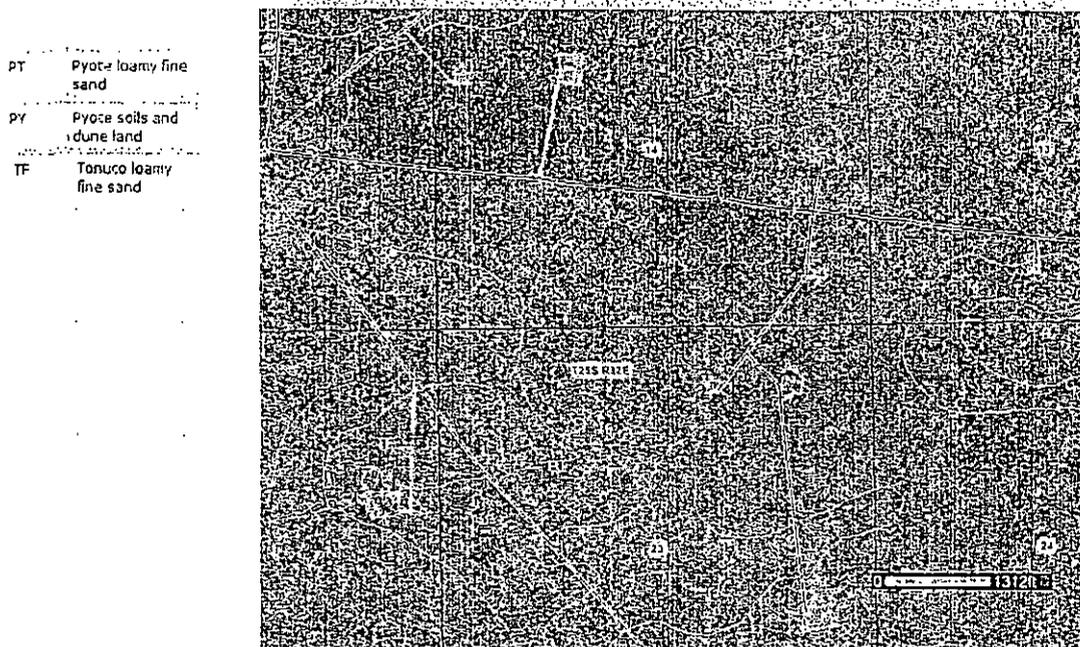
Sec: 23, T25S-R32E, Lea Co., NM

Supplemental to Form 3160-3, Application for Permit to drill the subject well, Mesquite SWD, Inc submits the following information as per Bureau of Land Management requirements.

1. Geologic Name of Surface Formation

Surface is Quaternary eolian and piedmont deposits (Qep) Holocene to middle Pleistocene. (New Mexico Bureau of Geology and Mineral Resources; 2003, Geologic Map of New Mexico; 1:500,000)

Soil map with legend. Source: <http://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx>



2. Formation Tops and Estimated Fresh Water:

The of geologic markers and estimated depths at which anticipated water, oil or gas formations are expected to be encountered as follows:

B/Alluvium	85'	Estimated potable water, if present, approx 80'.
Rustler	750'	
Top Salado	1,100'	
Main salt	2,320'	
Base salt	4,500'	
Lamar limestone	4,750'	
Bell Canyon	4,820'	No oil or gas expected below (Ramsey/Olds) 4,850'
Cherry Canyon	6,250'	
Brushy Canyon	7,360'	Estimated

3. **Estimated Depths of Anticipated Fresh Water, Oil or Gas.**

None of the formations above the Brushy Canyon have been found to be commercially productive of oil or gas east of the present Paduca field, or are depleted, in the disposal interval of this well. No fresh water wells are reported in the NM OCD 2-mile area of review, none would be expected beneath the Alluvium. Potential shallow water will be protected by 9-5/8" casing set at 865' and cement circulated to the surface.

4. **Casing:**

Design Parameter Factors:

<u>Casing Size</u>	<u>Collapse Design</u>	<u>Burst Design</u>	<u>Tension Design</u>	<u>Setting</u>
	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>	<u>Depth</u>
20"	5.55	22.5	7.46	20'
13-3/8" 48# H-40 STC	1.647	3.85	7.76	865'
9-5/8" 36# J-55 LTC	1.175	1.44	2.64	3000'
9-5/8" 40# J-55 LTC	1.194	1.16	8.67	4200'
9-5/8" 40# N-80 LTC	1.266	2.36	30.71	4550' 4700'
7" 23# J-55 LTC	1.153	1.16	1.83	5200'
7" 26# J-55 LTC	1.147	1.32	2.12	7250'

See COA

Hole Size	Casing	Depth Set	Cement	Top Cement
26"	20" Conductor	20'	144 ft ³	Surface
17-1/2"	13-3/8" 48# H-40	865'	840 sx	Circulated
12-1/4"	9-5/8" 36/40# J-55/N-80	4,550' 4700'	2138 sx	Circulated
8-5/8"	7" 23/26# J-55	7,250'	475 sx	~4,100'

All new or White Band (used certified to API standards).

See COA

4-A. **Auxiliary Well Control and Monitoring Equipment:**

- ~~a. A Kelly cock will be in the drill string at all times.~~
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 9 5/8" casing shoe until the 7" casing is cemented. Breathing equipment will be on location upon drilling the 9 5/8" shoe until total depth is reached.

See COA

If problems, please call Clay Wilson @ 575-706-1840

5. Cement Program:

16" Conductor pipe w/144 ft³ Redi-Mix

13-3/8" Surface string. 0' - 865'

Lead: 535 sx Class "C" plus additives: Density 13.50. Yield 1.75. MW 9.138 TF 13.065

Tail: 200 sx Class "C" w/PF001. Density 14.8. Yield 1.34. MW 6.321 TF 10.040

9-5/8" Intermediate string: 0' - 4550' ⁴⁷⁰⁰

Lead: 1275 sx 35/65 Poz C plus additives: Density 12.90. Yield 1.92. MW 9.951 TF 14.390

Tail: 200 sx Class "C" plus additives: Density 14.80. Yield 1.33. MW 6.320 TF 9.926

7" Production string: 0' - 7250'

Stage 1. MD 7250.

125 sx PVL plus additives: Density 13.00. Yield 1.47. MW 7.548 TF 9.916

DV approx 6000'

Stage 2: MD approx 600'

125 sx PVL plus additives: Density 13.00. Yield 1.47. MW 7.548 TF 9.916

DV approx 4850'

Stage 3: MD 4850'

100 sx PVL plus additives: Density 13.00. Yield 1.47. MW 7.458 TF 11.032

*See
COA*

Cement volumes calculated using 100% excess over open hole volume.

6. Proposed Mud Circulation System:

Drilling and returned circulation will be from and to a closed loop-like system w/surface tanks. No earthen mud or reserves pits will be constructed or used for this well. Drilling fluids and cuttings, if any, will be trucked to a certified disposal facility upon completion of drilling operations. Cement cuttings will be removed to a certified disposal facility.

Depth	Mud Wt.	Viscosity	Fluid Loss	Type Mud
0 - 865'	8.4 - 8.5	29	NC	Fresh water
865' - 4,700'	9.9 - 10.0	29	NC	Brine
4,700' - 7,250'	9.0	29	NC	Cut Brine/Fresh water

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Manifold schematic with routing to closed loop system is illustrated in Exhibit 2, below.

visual mud monitoring

7. Pressure Control Equipment:

BOP system, Exhibit 1 below, used to drill the intermediate hole will consist of a double ram-type (3M) preventer and annular preventer. Both units will be hydraulically operated and the ram-type will be equipped with blind rams on bottom and drill pipe rams on top. BOP will be tested in accordance with Onshore Oil & Gas order No. 2 as a 3M system prior to drilling out the surface casing shoe.

The BOP system used to drill the production hole will consist of a double ram-type (3M) preventer and annular preventer. BOP will be tested in accordance with Onshore Oil & Gas order No. 2 as a 3M system prior to drilling out the intermediate casing shoe.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily drillers log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 3,000 psi WP.

Vent line will extend to pad margin to provide sufficient distance, approximately 150' to flare boom, from any ignition source in the event natural gas should be encountered. No gas has been reported to this depth in the drilling of adjacent holes.

8. Estimated BHP:

At proposed TD 7,250' estimated BHP will be 3,295 psi.

9. Potential Hazards:

See
CST

No abnormal pressures or temperatures were reported in the nearby drilling operations. H₂S detection equipment will be in operation during the drilling operation. H₂S is not considered a potential hazard because it was not reported in the surrounding area. See H₂S schematic Exhibit 3, below.

10. Anticipated Starting Date and Duration of Operations:

~~Road and location construction will begin as soon as the BLM approves this APD. Move-in and drilling will follow as soon thereafter as rig and equipment are available. Drilling, well preparation for injection and lease clean-up are expected to require approximately 15 days.~~

11. Logging, Coring, and Testing Program:

No coring or formation testing is anticipated. A gamma-ray-neutron/density log will be run from TD to surface. A formation logger and gas detector may be employed.

Addendum: Non-productive zones

Wells up-dip (west), east of the drill site acreage and in the surrounding area have tested, completed in and/or depleted the upper Ramsey and the upper Olds of the Bell Canyon in the AOR. Numerous deeper wells have drilled, evaluated and/or tested the Ramsey/upper Olds. The lower Olds and the underlying Bell Canyon and Cherry Canyon in the greater area have not demonstrated production or commercial potential. This new-drill SWD will isolate the Ramsey/upper Olds and the underlying Brushy Canyon Formation where some hydrocarbon potential might present an exploration target for horizontal drilling.

Mesquite SWD, Inc.
Paduca Federal SWD #3
300' FNL & 1760' FWL
Sec. 23, T25S-R32E, Lea Co.

Addendum: Non-productive zones

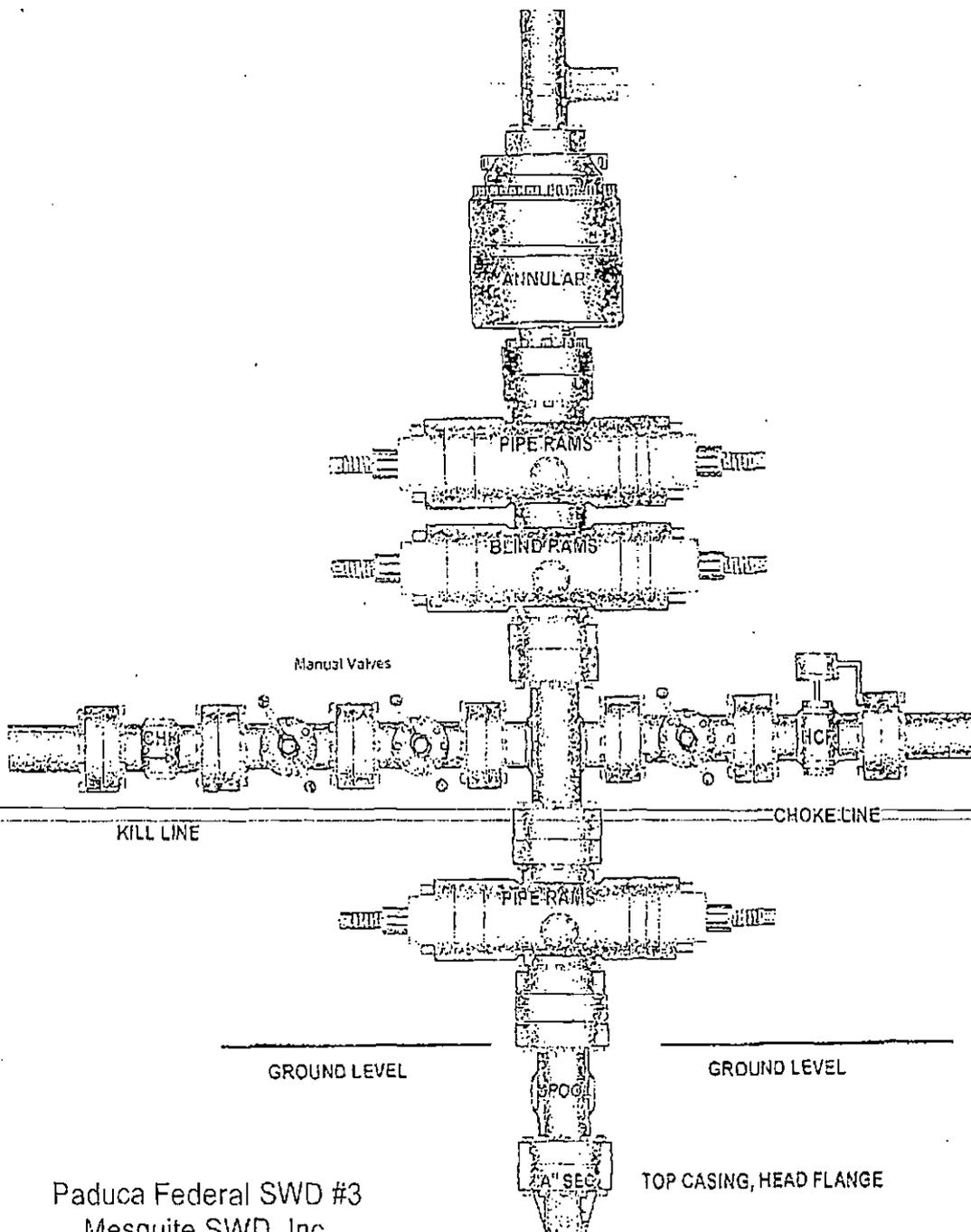
See COA

Wells up-dip (west), east of the drill site acreage and in the surrounding area have tested, completed in and/or depleted the upper Ramsey and the upper Olds of the Bell Canyon in the AOR. Numerous deeper wells have drilled, evaluated and/or tested the Ramsey/upper Olds. The lower Olds and the underlying Bell Canyon and Cherry Canyon in the greater area have not demonstrated production or commercial potential. This new-drill SWD will isolate the Ramsey/upper Olds and the underlying Brushy Canyon Formation where some hydrocarbon potential might present an exploration target for horizontal drilling.

Mesquite SWD, Inc.
Paduca Federal SWD #3
300' FNL & 1760' FWL
Sec. 23, T25S-R32E, Lea Co.

Exhibit 1

13-5/8" x 3,000 psi BOP Stack

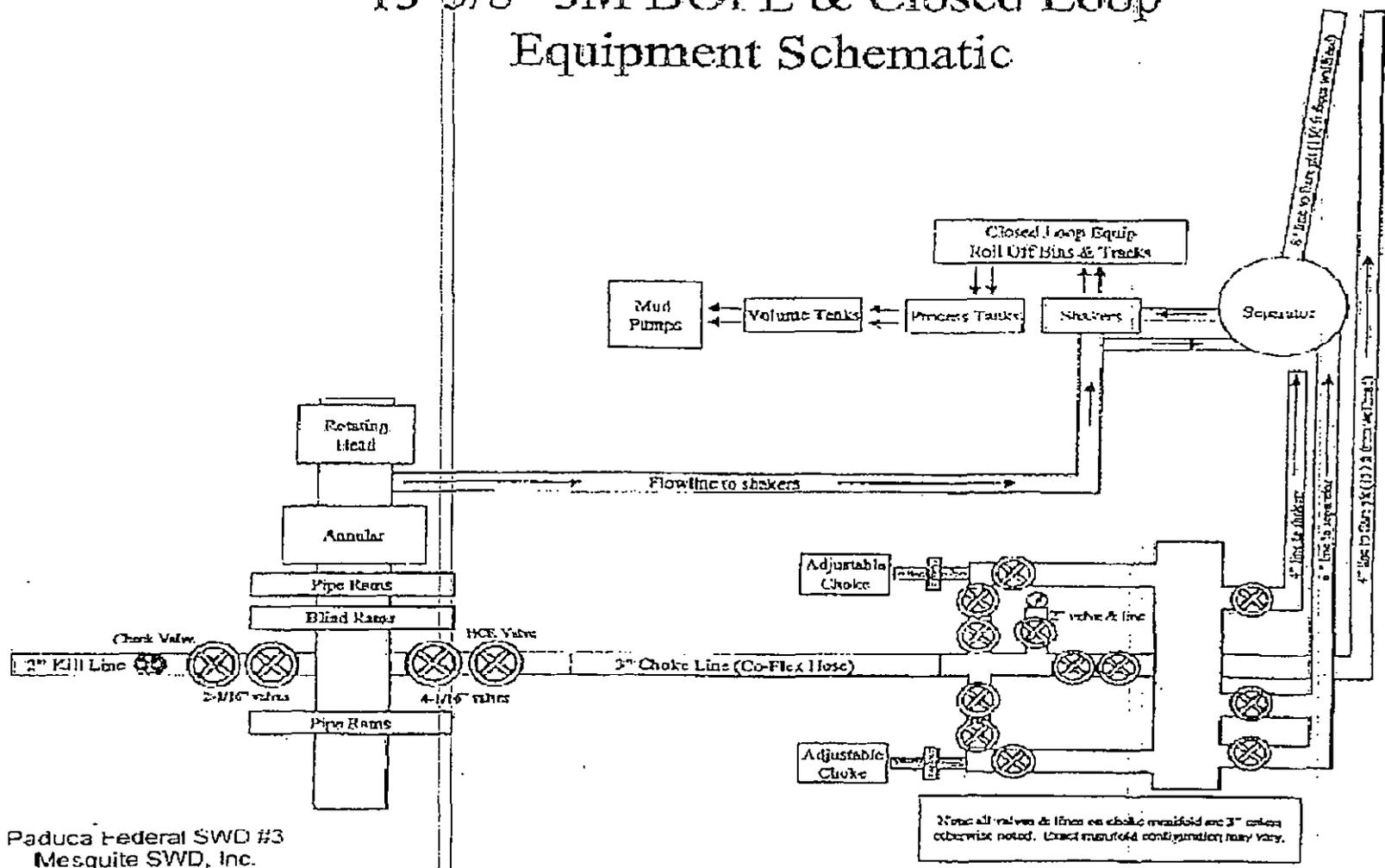


Paduca Federal SWD #3
Mesquite SWD, Inc.
Sec. 23, T25S-R32E Lea Co., NM
Surf & BHL 330' FNL & 1750' FWL

Mesquite SWD, Inc.
 Paduca Federal SWD #3
 300' FNL & 1760' FWL
 Sec. 23, T25S-R32E, Lea Co.

Exhibit 2

13-5/8" 3M BOPE & Closed Loop Equipment Schematic

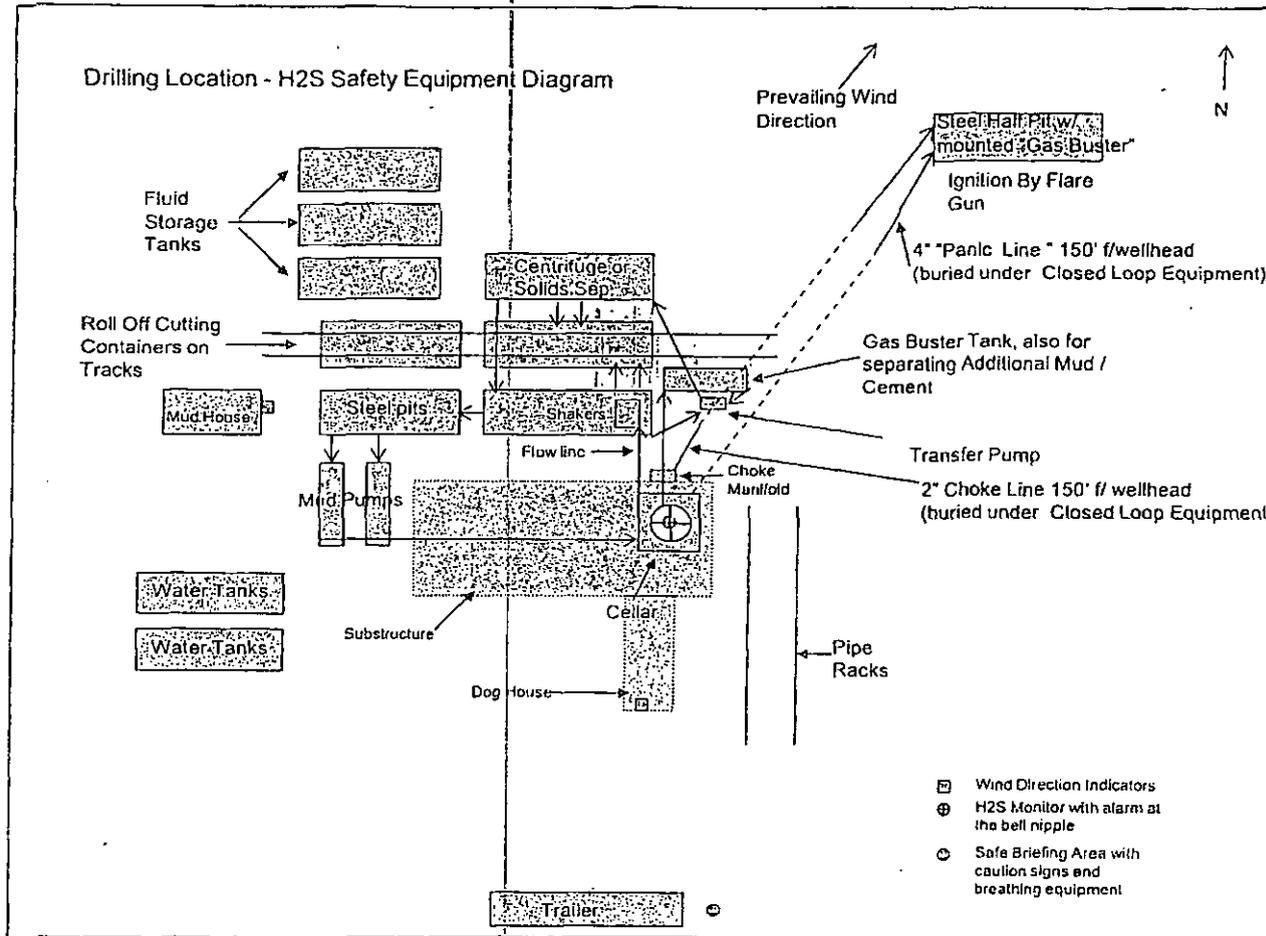


Paduca Federal SWD #3
 Mesquite SWD, Inc.
 Sec. 23, T25S-R32E Lea Co., NM
 Surf & BHL 330' FNL & 1760' FWL

Note: all valves & lines on skid & manifold are 3" unless otherwise noted. Exact manifold configuration may vary.

Mesquite SWD, Inc.
 Paduca Federal SWD #3
 300' FNL & 1760' FWL
 Sec. 23, T25S-R32E, Lea Co.

Exhibit 3 Generalized Pad Layout, Closed-Loop Routing and H₂S Safety Layout



Also see Exhibit 4, page 18 for detailed H₂S Location Layout

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
SWD R-13735 NM 110836

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other SWD

NOV 17 2014

2. Name of Operator

MESQUITE SWD INC

RECEIVED

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No. PADUCA SWD #3-y

3a. Address

PO BOX 1479 CARLSBAD NM, 88221

3b. Phone No. (include area code)

(575) 706-7288 (FOREMAN)

9. API Well No.

30-025-42258

10. Field and Pool or Exploratory Area
SWD, DELAWARE BELL & CHERRY CANYON

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEC 23, T25S-R32E

300 FNL & 1760 FWL

11. County or Parish, State
LEA

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SKID RIG
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

11/7/14- SKID WELL 10' TO THE SOUTH, SET NEW 20" CONDUCTOR TO 90' AND CEMENTED

Attachment **B**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

RILEY G NEATHERLIN

Title PRODUCTION FOREMAN

Signature

[Handwritten Signature]

Date 11/10/14

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

NOV 10 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NOV 19 2014 *[Handwritten Initials]*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

NOV 17 2014

Lease Serial No.
SWD R-13735 NM 110836

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other SWD

7. If Unit of CA/Agreement, Name and/or No.

2. Name of Operator

MESQUITE SWD INC

8. Well Name and No. PADUCA SWD #3

9. API Well No. 30-025-42258

3a. Address

PO BOX 1479 CARLSBAD NM, 88221

3b. Phone No. (include area code)

(575) 706-7288 (FOREMAN)

10. Field and Pool or Exploratory Area
SWD, DELAWARE BELL & CHERRY CANYON

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEC 23, T25S-R32E

11. County or Parish, State
LEA

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SKID RIG
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

INTEND TO SKID THE RIG 10' TO THE SOUTH, SET NEW 20" CONDUCTOR TO 90'

Verbal was given to plug back and skid on 11/3/14
Original COAs still stand

Attachment C

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

RILEY G NEATHERLIN

Title PRODUCTION FOREMAN

Signature

Riley G Neatherlin

Date 11/10/14

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

P. J. Fernandez for Stephen Carter

Title

Office

KZ

NOV 20 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any statement or representation as to any matter within its jurisdiction.

(Instructions on page 2)

NOV 19 2014 *DM*