





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.

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

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

9. API Well No.

3a. Address  
PO BOX 1479 CARLSBAD NM 88221

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

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

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

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

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

12. County or Parish  
LEA

13. State  
NM

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

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 *[Handwritten Signature]*

Name (Printed/Typed)  
RILEY G NEATHERLIN

Date  
11/10/14

Title  
PRODUCTION FOREMAN

Approved by *[Handwritten Signature]*  
Title

Name (Printed/Typed)  
Office

Date  
11/10/14

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  
SUD ORDER APPROVED  
BY SANTA FE

*[Handwritten initials]*  
11/10/14

Attachment **A**

*[Handwritten notes]*  
13/27/14

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) 748-1288 Fax: (575) 748-9720

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone: (505) 834-6178 Fax: (505) 834-6170

**DISTRICT IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 478-2460 Fax: (505) 478-3482

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 |  | 5 Property Name<br><b>PADUCA FEDERAL SWD</b> |  |             | 6 Well Number<br><b>3 Y</b> |
| 7 OGRID No.     |  | 8 Operator Name<br><b>MESQUITE SWD, INC.</b> |  |             | 9 Elevation<br><b>3429'</b> |

**10 Surface Location**

| UL or lot no. | Section | Township | Range             | Lot Idn | Foot from the | North/South line | Foot 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 | Foot from the | North/South line | Foot from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| X             | X       | X        | X     |         | X             | X                | X             | X              | X      |

|                         |                    |                       |              |
|-------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres<br>X | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|-------------------------|--------------------|-----------------------|--------------|

**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 retained 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: *Riley G Neutherlin* Date: *11/10/14*  
 Printed Name: **Riley G Neutherlin**  
 E-mail Address: *R9neutherlin@gmail.com*

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**SURVEYOR CERTIFICATION**

*I hereby certify that the above location shown on this plat was located in the presence of witnesses and under my supervision, and that the same is true and correct to the best of my belief.*

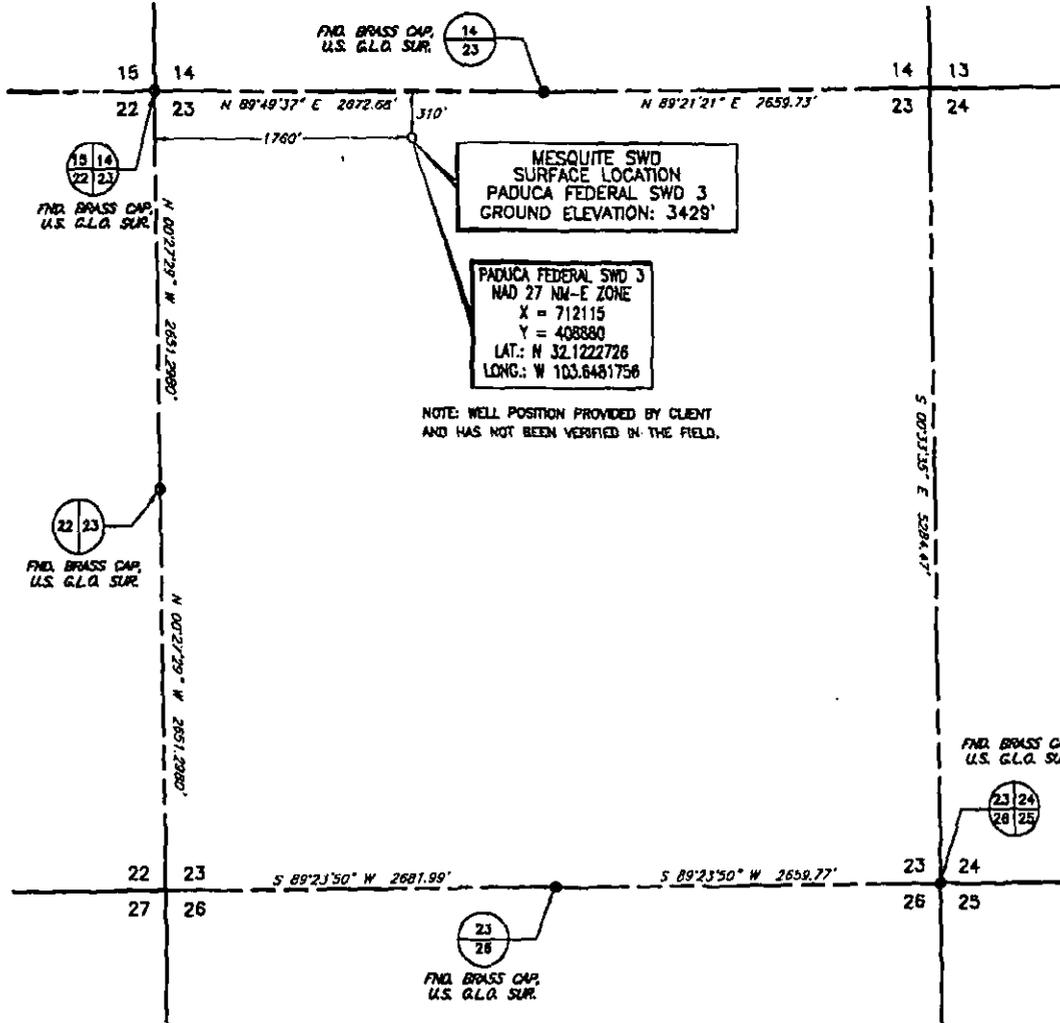
18329  
 NOVEMBER 10, 2014

Date of Survey: \_\_\_\_\_  
 Signature and Seal of Professional Surveyor: *[Signature]*

Michael Blake Brown P.S. #18329

13

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



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



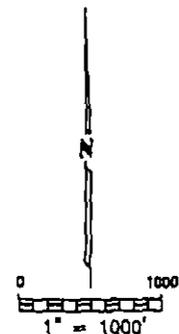
DATE OF FIELD WORK: MAY 30, 2013

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)

*[Signature]*

MICHAEL BLAKE BROWN, P.S. #18329

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 |
|-----------------------|---------------|----|
| 2                     | 11/10/14      | ED |
| SURVEYED BY: BC/EB/BC |               |    |
| DRAWN BY: MJN         |               |    |
| APPROVED BY: MBB      |               |    |

MESQUITE SWD, INC.

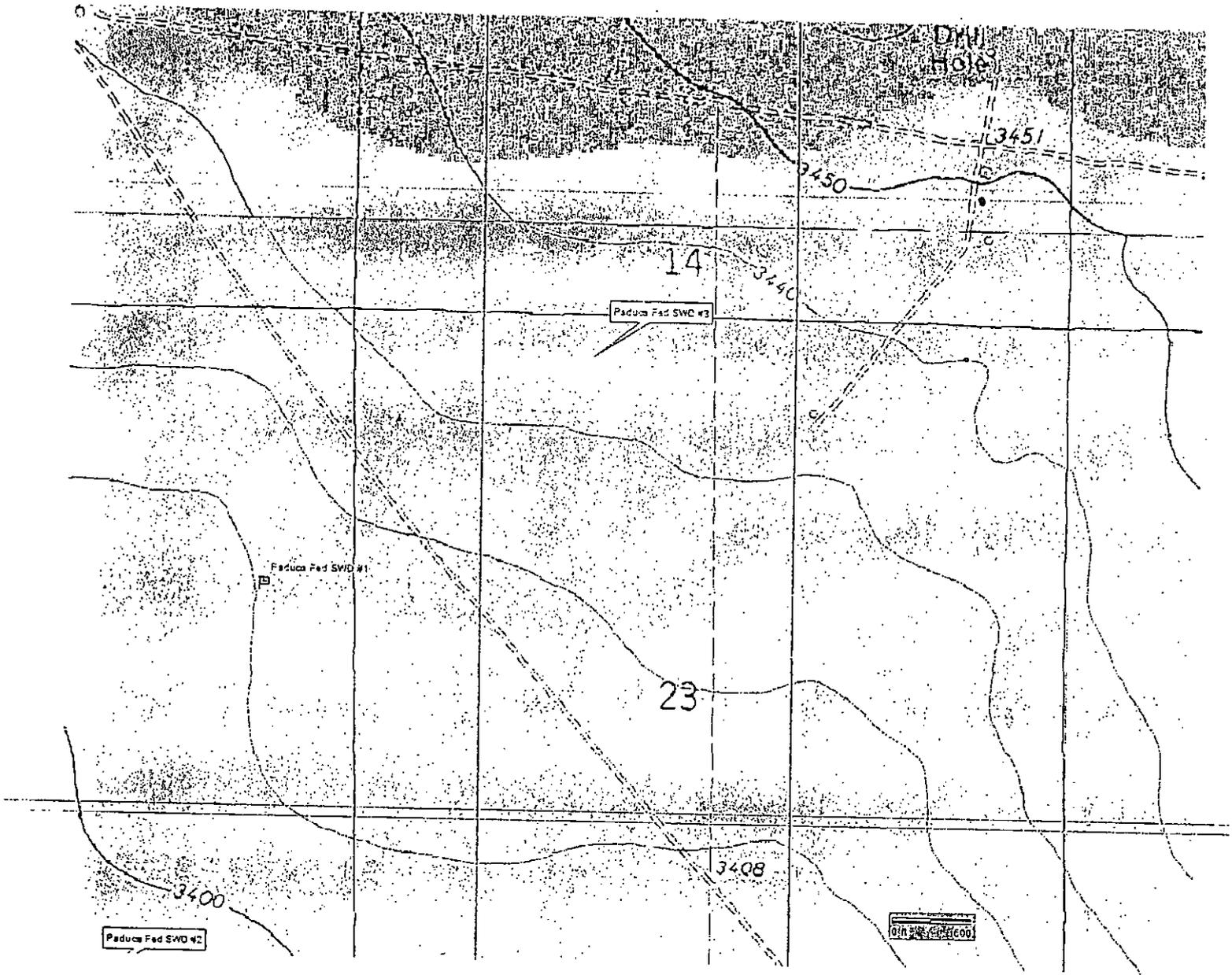
**TOPOGRAPHIC**  
SURVEYING • MAPPING • GIS • GPS

|                                 |
|---------------------------------|
| SCALE: 1" = 1000'               |
| DATE: MAY 30, 2013              |
| JOB NO.: LD_PADUCA_FEDERAL_SWDS |
| QUAD NO.: 22-81511              |
| SHEET: 1 OF 1                   |



Mésquite 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.  
**DRILLING PROGRAM**

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

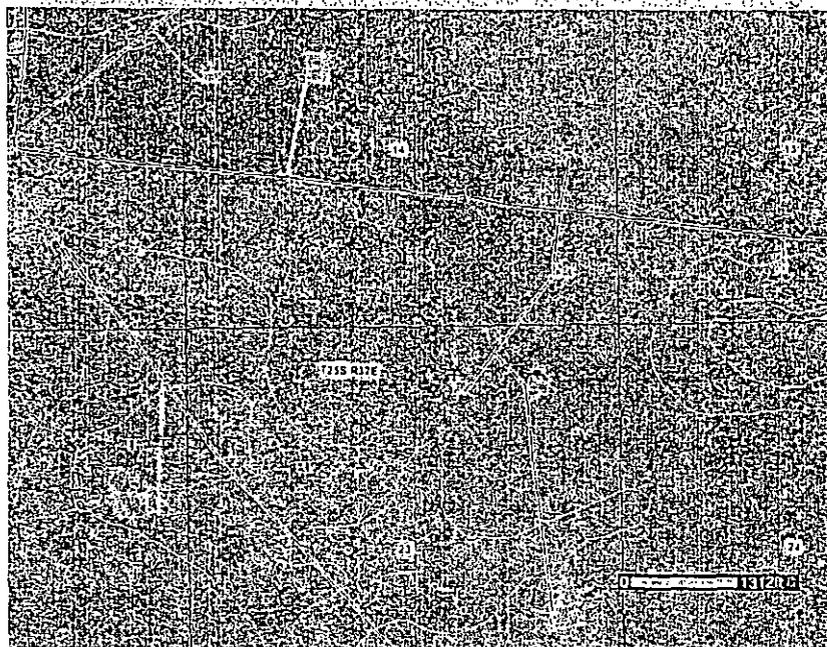
Supplemental to Form 3160-3, Application for Permit to drill the subject well, Mesquite SWD, Inc submits the following information as per Bureau of Land Management requirements.

**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>

PT Pyote loamy fine sand  
PY Pyote soils and dune land  
TF Tonuco loamy fine sand



**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 Factor</u> | <u>Burst Design Factor</u> | <u>Tension Design Factor</u> | <u>Setting 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 <sup>3</sup> | 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'<br>See COA |

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

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 ft<sup>3</sup> Redi-Mix

13-9/8" 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' <sup>4700</sup>

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:**

Self  
CFA

No abnormal pressures or temperatures were reported in the nearby drilling operations. H<sub>2</sub>S detection equipment will be in operation during the drilling operation. H<sub>2</sub>S is not considered a potential hazard because it was not reported in the surrounding area. See H<sub>2</sub>S 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**

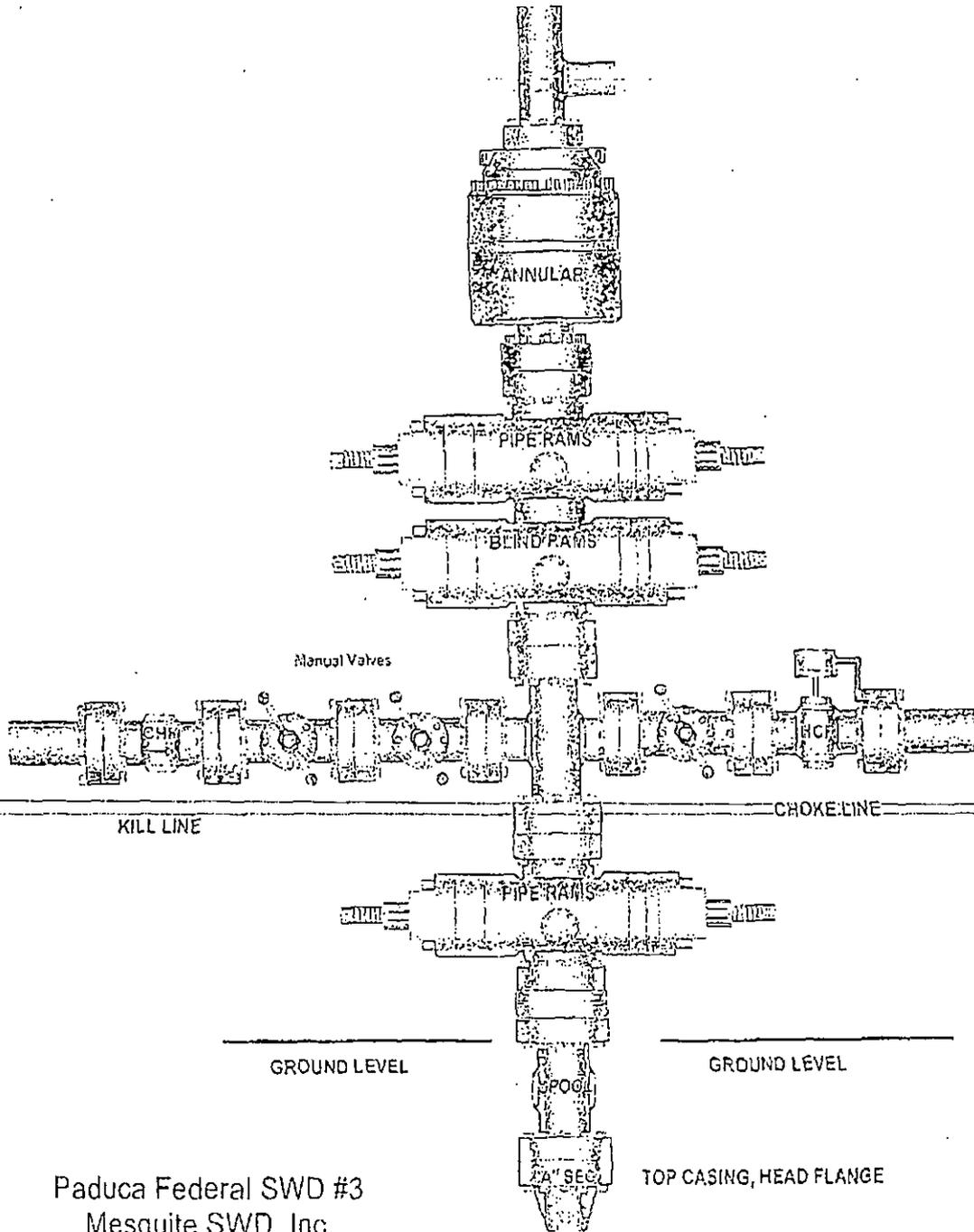
*See COA*

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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



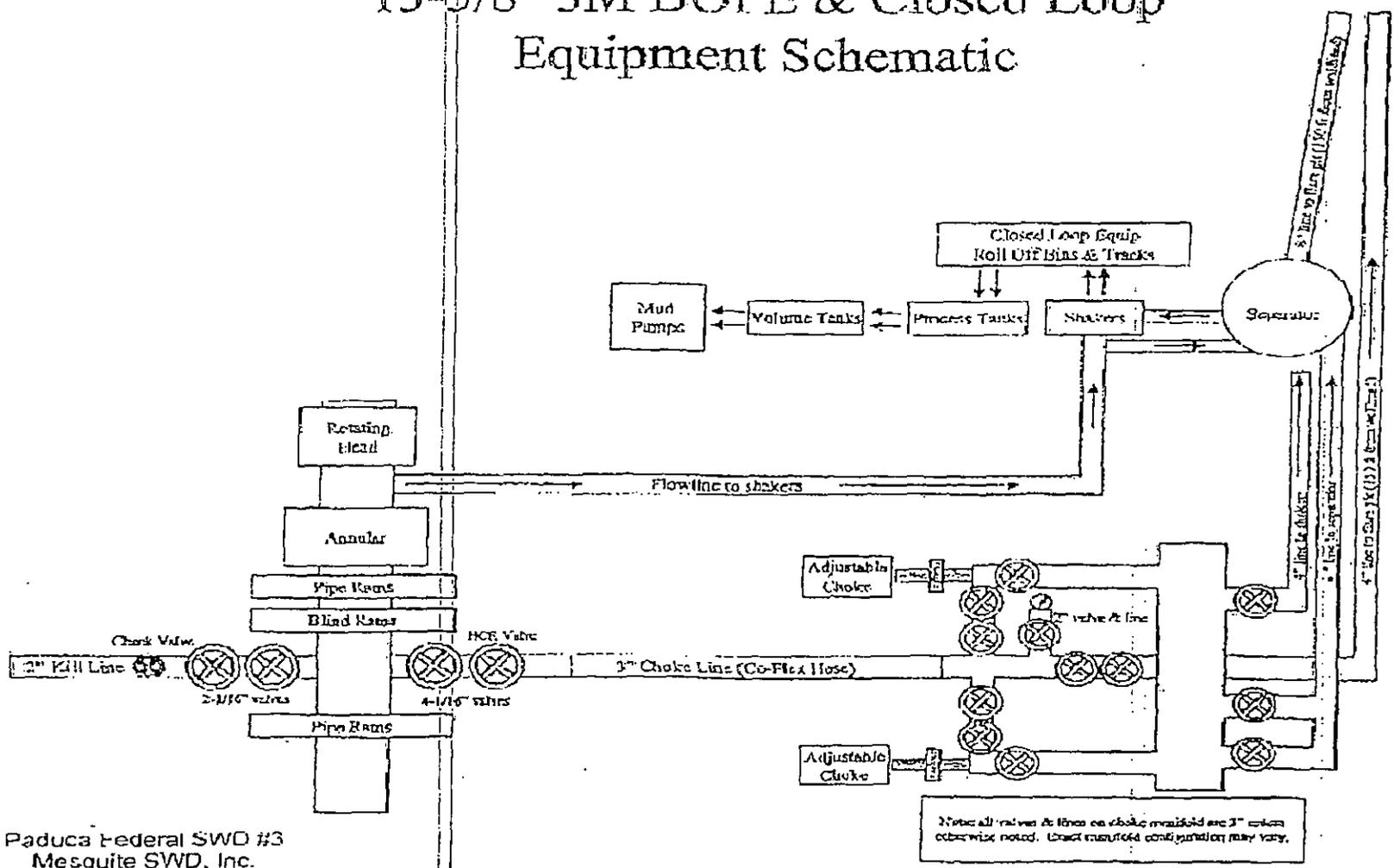
Paduca Federal SWD #3  
Mesquite SWD, Inc.  
Sec. 23, T25S-R32E Lea Co., NM  
Surf & BHL 330' FNL & 1750' FWL

TOP CASING, HEAD FLANGE

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

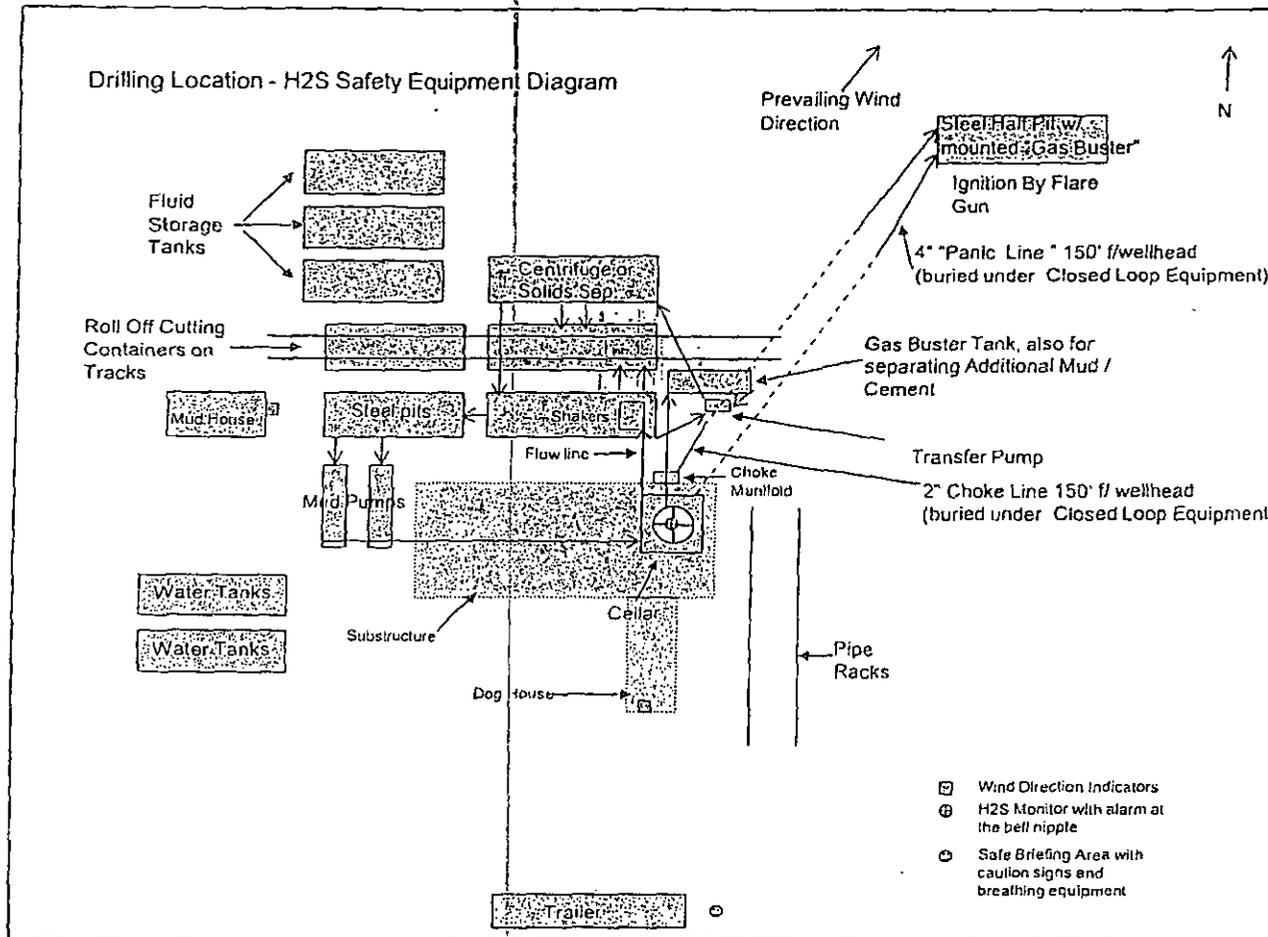


Paduca Federal SWD #3  
 Mesquite SWD, Inc.  
 Sec. 23, T25S-R32E Lea Co., NM  
 Surf & BHL 330' FNL & 1760' FWL

Note: all valves & lines on choke 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 H<sub>2</sub>S Safety Layout



Also see Exhibit 4, page 18 for detailed H<sub>2</sub>S 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.**

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

1. Type of Well

Oil Well  Gas Well  Other SWD

NOV 17 2014

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

2. Name of Operator

MESQUITE SWD INC

RECEIVED

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

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 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.)

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)

hnl

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

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

|  |   |  |
|--|---|--|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD |   | 7. If Unit of CA/Agreement, Name and/or No.                                  |
| 2. Name of Operator<br>MESQUITE SWD INC  |   | 8. Well Name and No.<br>PADUCA SWD #3  |
| 3a. Address<br>PO BOX 1479 CARLSBAD NM, 88221  | 3b. Phone No. (include area code)<br>(575) 706-7288 (FOREMAN) | 9. API Well No.<br>30-025-42258  |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>SEC 23, T25S-R32E  |   | 10. Field and Pool or Exploratory Area<br>SWD, DELAWARE BELL & CHERRY CANYON |
|  |   | 11. County or Parish, State<br>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 recompleat 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 recompleat 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)<br>RILEY G NEATHERLIN |  | Title<br>PRODUCTION FOREMAN |
| Signature<br><i>Riley G Neatherlin</i>  |  | Date<br>11/10/14            |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

|   |  |             |
|---|--|-------------|
| Approved by<br><i>P. Fernandez for Stephen Carter</i>   |  | Title<br>KZ |
| 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. |  | Office      |

APPROVED

ACCEPTED FOR RECORD

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.