STATE OF NEW MEXICOR E OF VED ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVINORY 9 PM 2 51

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENFORCEMENT AND COMPLIANCE MANAGER, FOR A COMPLIANCE ORDER AGAINST MESQUITE SWD, INC., SUSPENDING MESQUITE'S AUTHORITY TO INJECT INTO THE EXXON STATE NO. 008 UNDER ORDER NO. SWD-180 UNTIL MESQUITE SHOWS THAT THE INJECTED FLUIDS ARE NOT ESCAPING TO UNAUTHORIZED INJECTION ZONES; REQUIRING COMPLIANCE WITH ORDER NO. SWD-180 AND RULE 19.15.9.703 NMAC; AND REQUEST FOR EXPEDITED HEARING; EDDY COUNTY, NEW MEXICO.

CASE NO. 14136

ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 1211 [19.15.14.1211 NMAC].

APPEARANCES

APPLICANT

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Oil Conservation Division

APPLICANT'S ATTORNEY

Sonny Swazo

Oil Conservation Division Energy, Minerals and Natural

Resources Department 1220 S. St. Francis Drive Santa Fe, NM 87505

(505) 476-3463 FAX: 476-3462

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RESPONDENT

Mesquite SWD, Inc.

No entry of appearance filed.

STATEMENT OF THE CASE

Applicant Oil Conservation Division is seeking a compliance order suspending Respondent Mesquite SWD, Inc.'s, authority to inject into the Exxon State No. 008 under Order No. SWD-180 until Mesquite demonstrates that it is in compliance with Order No. SWD-180 and Rule 19.15.9.703 NMAC with injected fluids not escaping into unauthorized injection zones.

APPLICANT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Will Call

Will Jones

45 Minutes

OCD Engineer

May Call

Daniel Sanchez

15 Minutes

OCD Enforcement and Compliance Manager

Mike Bratcher (by telephone)

30 Minutes

OCD Compliance Officer

PROCEDURAL MATTERS

None at this time.

Respectfully submitted this 9 day of May 2008 by

Sonny Swazo

Oil Conservation Division

Energy, Minerals and Natural

Resources Department

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Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following by first class mail this 9 day of May 2008:

Mesquite SWD, Inc. Attn: Clay Wilson P.O. Box 1479 Carlsbad, NM 88221

Sonny Swazo