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# IN THE MATTER OF THE APPLICATION FOR AUTHORIZATION TO INJECT, C-108, FOR THE EXXON STATE NO. 8 WELL OPERATED BY MESQUITE SWD, INC.

## RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION CONCERNING THE AREA OF REVIEW

THE MESQUITE EXXON STATE NO. 8 SALTWATER DISPOSAL WELL, OTHER WELLS AND CONDITIONS in and around Section 15, Township 21 South, Range 27 East Eddy County, New Mexico

September 11, 2008

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### RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION CONCERNING THE AREA OF REVIEW

#### I. Executive Summary

#### A. Details of Notice

BEPCO, with properties in Section 15, and Section 22, T15S-R27E, has been notified and has not protested. Ray Westall has no properties within the Area of Review.

#### **B.** Injection Waters

Mesquite is unable to determine the Pool source of waters being disposed. There is no reasonable means of obtaining water analyses on the waters in those pools.

#### C. Location from Reef

The "reef" is often grossly misunderstood. The subject disposal well is in the back-reef facies deposits, predominately dolomite, which south of the cross-section eventually transitions into the back-reef deposits of predominately dense limestones, then into the organically built (real) reef. The Exxon State #8 TD is approximately 108' above the Seven Rivers/Capitan formation. The south end of the cross-section is still over one-mile north of the main "reef" body.

#### **D.** Isolation from Reef

The "permeability of the Yates Formation below 694 feet" cannot be determined. The question, "what barriers would stop the injection fluid from traveling vertically or horizontally and entering the Reef," required a detailed description of the geological nature of the reef and the nature of the formations involved. The conclusion is that the vast majority of the beds in this back-reef environment have very limited porosity and permeability.

Barriers to vertical movement of water from the disposal well/zone are clearly demonstrated by the examination of Magruder pay production from the four wells that surround the Exxon State #8. The Magurer pay zone is water driven. From a hydraulic view and a hydrogeochemical evaluation of produced water from the surrounding four wells and comparison to a detailed chemical analysis of typical waters disposed into the Exxon State #8, it is clear that no waters in the greater area have moved upward as a result of disposal.

ii

#### E. Area of Influence

The request for "An areal calculation (showing distances extending from the wellbore) of the waters that have been injected to-date since 1977) is not feasible due to the physical nature of disposal zones. There are no tests or methods, and exceptionally limited data, available for such a calculation. An analysis of volumes disposed since 1977 shows that 610.14 ac-ft of water has been disposed into the Exxon State #8 over the past 31 years.

The best disposal zone in the Exxon State #8 is the zone from 684 - 694', a 10' thick, high porosity-permeability zone. The zone takes water on vacuum. Of the 610.14 ac-ft disposed, 499 ac-ft went into that lower 10' of porosity. If the reservoir was a 320 acres box, the porosity would only be about 16% filled after 31 years.

The area of influence would be much greater if the porosity/permeability were very wide-spread. Several "box" computations, as well as inverted cone-shaped and parabolic spreads, suggest that the 10' porosity zone could have effects such as:

- 1) An inverted cone (10' high) if filled would only cover 149.7 ac-ft.
- 2) If the reservoir was only one-foot thick and filled it would cover 499 acres
- 3) If the area of the AOR, 10' thick, was the size of the reservoir, it would have nine feet of empty porosity after 31 years of disposal input.

The conclusion is that the 610.14 ac-ft of water disposed into the Exxon State #8 has had an insignificant affect on the AOR, and no impact can be seen for adjacent areas for the foreseeable future.

#### F. AOR Well Construction

As requested, a tabulation of well constructions in the AOR is submitted.

#### G. P&A Diagrams

As requested, a set of P & A diagrams is included (Appendix B).



### **Table of Contents**

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I. Executive Summary	ii
II. Details of Notice	Page 1
III. Injection Waters.	Page 2
IV. Location from Reef	Page 2
V. Isolation from Reef.	Page 5
VII. Area of Review Well Construction	age 10
References Cited P	age 16
Appendix A. P Hydrochemical Analyses. P	
Appendix B.    Page 201      Plug and Abandon Well Diagrams.    Page 201	

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### List of Illustrations

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Figure 1 Area of Review for Mesquite Exxon State #8	Page 1
Figure 2 Location of cross-section	Page 3
Figure 3 North - South back-reef cross-section.	Page 4

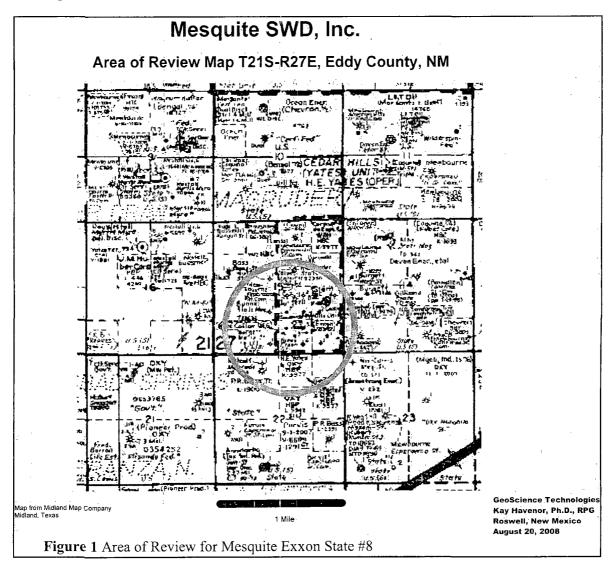
## Tables

Table 1. Thickness of formation between well TD and top of injection zone in Exxon State #8

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### **II.** Details of Notice

The Area of Review (AOR) land map with ½ mile radius of Area of Review shown, Figure 1, has previously been submitted with the original C-108 application. A more recent land map with AOR shown is presented here. All parties within the required area have been notified and no protests have been filed.



The BEPCO State 22 Com, located 660' FNL, 1980' FWL, Sec. 22, T21S-R27E, was plugged and abandoned July 28, 2008 with OCD approval August 4, 2008. Additionally, BEPCO properties in Section 15 have been notified and have not protested.



Ray Westall is not reported to have any properties within the Area of Review. The closest properties operated by Mr. Westall are located to the west in Section 16, and to the northwest in Section 9, T21S-R27E, outside the Area of Review.

#### **III.** Injection Waters

The waters that will be injected into this commercial disposal well are not known in advance. Commercial hauling services contract with operators and presumably select the closest, quickest, or most economical disposal site. The commercial drivers are required to note operator and lease name, but not the "pool" designation or the lease location.

Obtaining a "recent water analysis from each Pool" is information that is probably not available even from the operators, and is certainly not a regulatory requirement that is or currently can be imposed upon the commercial transporters or the receivers of typical produced waters.

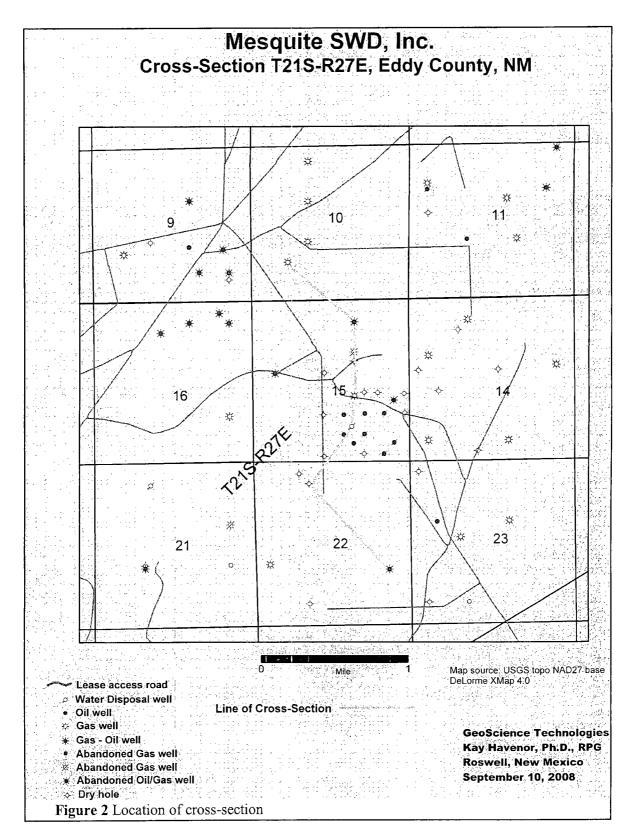
#### IV. Location from Reef

Figure 2, p. 3, illustrates the location of the cross-section requested. Figure 3, p. 4, is the cross-section that illustrates the relationship of the Exxon State #8 disposal well to the back-reef facies of the Capitan reef system.

Discussion of the nature of the reef follows in the next section, but it is important to understand the back-reef environment. While the back-reef is age-wise and stratigraphically contemporaneous with the reef itself, is not a part of the organically constructed reef. Part of the request for information was "so it can be seen how far away the Reef is laterally from the bottom of this well and how far it is vertically below the bottom of this well." The question implies a condition that actually does not technically exist.

The labels on the cross-section indicate the top of the *Seven Rivers/Capitan*. The Seven Rivers Formation is predominately dolomite that laterally transitions into massive limestone. The massive limestones deposits continue south of the cross-section area toward the organically constructed "reef" that appears to be of concern. That transition occurs at least one mile south of the southern limit of the cross-section.

Based upon the depths observed in the cross-section, the base of the Yates in the Exxon State #8 would be encountered at 802'. This is the same straight depth of the Yates encountered in the Mewbourne Oil Esperanza 14 State #2 in the SW/SW of Section 14 (not on the crosssection). The Exxon State #8 TD is 694'. A previous conservative estimate of 765' (Havenor, 2008, p. 23) to the top of the Seven Rivers/Capitan was conservative by about 37'. The base of the disposal zone in the Exxon State #8 should be considered as 107' above the base of the Yates Formation.



Page 3

Top Vates Formation Top Seven Rivers/Capitan Top Seven Rivers/Capitan Top Delaware Group	Unit Petroleum Co Yates State #2 Sec 10, T21S-R27E TD 11467 30-015-32801	Mewbourine Oil Co Esperanza 15 State Com #2 Sec 15, T215-R27E TD 11835. 30-015-32718	#2 #Sperarize Oil Co Mewbourne Oil Co #59erarize State Com #1 TD 11835 Sec 15 #7215-R27F -30-015-318777	Co Co e Com #1 Sec 15 27E TD 68/ 30-015	Aewbourne Oil Co         Mewbourne Oil Co         Mewbourne Oil Co         Mewbourne Oil Co         Mercon State Sw0 Inc         BEPC           2         Espectanza State Com #I Excon State #15,715.R27E         Escon State #8         State Sec 18, 713.827E         State Sec 16, 713.827E         State Sec 15, 713.827E         TD 11           30-015-31877         30-015-22055         30-015-22055         30-015         30-015	BEFCO, LP BEFCO, LP State 22 Com #1 Sec 22, T21S-R27E TD 11760 30-015-22163	0-0-0 30-0 30-0 30-0 30-0	S Purviș Operating Co Esperanza State Com #2 Sec 22, T21S-R27E TD 9355 30-015-32938
Top Seven Rivers/Capitan Top Delaware Group			Too Vates Formation					
			Seven Rivers/Capitan		Projected depth 7R/Capitan = 802'			
		이 같은 것 같은	Top Delaware Group					

#### V. Isolation from Reef

This subject was discussed in detail in the Havenor (2008a) report, Discussion of Capitan Reef Aquifer Salinity, dated August 13, 2008, presented to the OCD in Santa Fe. In brief summary, as quoted in that report from Hiss (1973, p. 7),

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The Capitan aquifer is underlain by sandstones, siltstones, and limestones of the Delaware Mountain Group and is overlain by the Artesia Group and the Salado Formation. It is bounded on the basinward side by impermeable anhydrite of the Castile Formation and grades shelfward into the interbedded dolomite, limestone, sandstone, and anhydrite of the Artesia Group and San Andres Limestone. The basinward edge of the Capitan aquifer is abrupt and can be sharply defined, whereas the shelfward edge is gradational and cannot be easily defined (fig. 4). *The rock units surrounding the Capitan aquifer generally have significantly less permeability than the Capitan and, in most places, act as partial hydrologic barriers to movement of water into or out of the aquifer*. (Emphasis added)

The "permeability of the Yates Formation below 694 feet" - is the total depth in the Exxon State #8 well, therefore the permeability below that depth is unknown. What we do know is that the permeability of the Yates Formation from 684 to 694 ft is high - because it takes fluid on vacuum without the assistance of additional pump pressure. While Mr. Rains, the original operator and well driller of the Exxon State #8, was permitted to 700 ft he in fact ceased drilling after penetrating ten feet of vuggy dolomite. From experience on many holes drilled with cable tools, it is very probable that at the bottom of the zone of vuggy porosity he encountered a dense dolomite. The porous interval just penetrated took the relatively small amount of fluid needed in the bottom of the hole for drilling, and the hard zone at the bottom would have resisted further penetration because of insufficient water for drilling and none for bailing-out cuttings. Mr. Rains' objective was to have a disposal well, and 684 - 694' was a good zone.

As to discussing "what barriers would stop the injection fluid from traveling vertically or horizontally and entering the Reef," the previous paragraph, and Hiss' description, fully describe the nature of the formations in the back-reef area. The Exxon State #8 is clearly in the back-reef facies. The implication presented by the question is that the waters must be stopped lest they *will* enter the reef. Another implication by the question is that the "Reef" is some isotropic, homogeneous body and if pierced will provide unimpeded access to an internal network of vast interconnected saturated porosity. The absolute reverse is the actual case. Probably more than 90% of the commonly described "reef" is a huge, complex geological body composed essentially of dense, interbedded carbonates (mostly limestone), with remarkably low porosity and very low permeability. The real problem would be to demonstrate how back-reef fluids, such as water in/or disposed into zones such as the basal Exxon State #8's 684 - 694' zone, *could* get into the known porous and permeable crestal area on the leading basin-edge portion of the reef. This is especially true because the Exxon State wells are located about three miles, or more, north of the



reef's crestal area, and have at least one intervening dry exploratory water test drilled into Capitan carbonates.

The Capitan Reef is a structure built by a combination of interrelated geological depositional systems that include the fore-reef, the organically constructed relatively narrow reef, and a very large, widespread back-reef depositional environment that grades into the San Andres Formation and Artesia Group. There are no definitive *lines* that separate the *facies* that built the entire system. The back-reef facies is a broad zone of lateral lithologic changes of the bed(s), from north toward the south, from gypsum, anhydrite, dolomite, sandstones, and sandy dolomites into progressively thicker beds of dolomitic limestones which eventually transition into massive limestones near the front of the reef. The massive, dense limestones often incorporate the narrow organically formed reef front. Not all the organically formed portion of the reef retains its good porosity.

As to the "barriers" stopping vertical movement of the water disposed into the Exxon State #8, your attention is respectfully directed to the wells that literally surround the disposal well. The Mesquite Exxon State #1, #2, #3, and #7 were drilled into and completed in the Magruder pay with subsurface MSL TDs of 2704', 2706' 2679' and 2704'. The base of the casing in the Mesquite Exxon State #8 is 587' (e-log MSL 2694').

Table 1, below, shows the stratigraphic thickness separation at the bottom of each well (TD) relative to the top of the highest injection zone (MSL base of the casing) in the Exxon State #8. The four wells have been continuously monitored for fluid accumulation at the bottom of their respective holes over the past two years. There consistently has been only a steady input of water and heavy oil into the holes. The volumes have been considered non-economic for conventional pumping because of high water/oil ratios. Continuous 24-hour pumping removes the water/oil needed for pump lubrication causing conventional down-hole pumps to burn-out. The water input is constant, paced, and predates disposal.

	Exxon State 1	Exxon State 2	Exxon State 3	Exxon State 7
Surface Elevation	3268	3282	3298	3284
Total Depth (TD)	561	576	589	580
MSL Total Depth	+2707	+2706	+2709	+2704
Thickness MSL TD above base casing in Exxon State #8	13	12	15	10

Table 1. Thickness of formation between well TD and top of injection zone in Exxon State #8.

The Magruder zone historically has and does make water. The Magruder pay is water driven. The original pumping initial potential (IP) on the discovery well, the R.S. Magruder #1



State, was 10 BOPD + 200 BWPD. The (IP) on the Exxon State #3 was 50 BOPD plus 177 BSWPD. The IP on the Exxon State #2 was 6 BOPD and 194 BSW. Mesquite's pumping of the Exxon State #1, 2, 3, and 7 yields from 100 to 500 BWPD from each well.

The lower zone in the Exxon State #8, (684' - 694') takes water on vacuum, therefore no significant accumulations of water would be possible in the pay zones of the above wells if there is vertical conductivity. Conversely, because the #8's 10 ft thick lower disposal zone takes fluid on vacuum, it is not hydrodynamically possible for the disposal water to move upward into the overlying formations.

While timed pumping removes accumulated Magruder pay zone formation water, left unpumped for any extended time water will accumulate in the hole. The static water levels in the Exxon State #2 and #7, after extended shut-in, were verbally requested by Mr. Tom Gum, Artesia OCD from Mr. Dale Taylor, the operator. On C-103's filed on November 4, 2005 Mr. Taylor reported that the Exxon State #2 static water level was at a depth of 216' on October 6, 2000, and the Exxon State #7's static water level on September 28, 2000 was 224' beneath the surface. In both wells the water levels were, respectively, 26' and 28' beneath the surface casing. No waters in or adjacent to the field have been reported above the Magruder pay zone.

The static water levels, discussed above, must be considered as significant in regards to basic questions related to this application:

1) The main disposal zone in the Exxon State #8, historically and presently, has been on vacuum. There can be no natural effective vertical hydraulic conductivity with the waters in the overlying Magruder zone of the Yates Formation; otherwise, those overlying waters would drain into the disposal zones by gravity and their own hydraulic head.

2) The question was previously raised by the BLM and the OCD as to the source of waters in the Burgett #1 Magnolia State, Section 14, T15S-R27E. This writer earlier took the position that the cause of heavy crude extruding onto the surface at that location was not caused by disposal into the Exxon State #8. At the time of discussion, the magnitude of water and water drive in the Magruder pay interval, had not been fully recognized. Static water levels in the Exxon #3 and #7 demonstrate that given sufficient non-pumping time the natural formation drive could easily cause oil on top of the water column to extrude from an unplugged well such as the Magnolia State #1.

Based upon extensive personal hydrogeochemical experience in southeast New Mexico, a request was made to Mesquite for produced water samples collected from the Exxon #1, #2, #3, #7, as well as a sample from disposal well #8's incoming storage. The samples were collected September 3, 2008, delivered to Cardinal Laboratories, Hobbs, New Mexico, and chemical analyses were reported on September 8, 2008. Copies of the analyses and their respective chain of custody documents are in Appendix A, p. 17, of this report.

The reader is referred to Havenor's (2008, Fig. 1, p. 2) map showing the locations of the above sampled wells. In that same report, Fig. 2, p. 5, and Fig. 3, p. 6, structure contours maps show the top of Magruder with local structural gradient from the northern-most #1 and #2 southward toward the #7 and #3. The disposal well, #8 is in about the center of the surrounding group of wells. Hydrogeologically the movement of groundwater would be down the structural dip of the formation (southerly) from #1 and #2 over the disposal well (#8) toward #7, then #3.

In section 1), immediately above, we have concluded there is no natural vertical hydraulic conductivity with the overlying Magruder pay zone. The chemistry of the waters in the northern most #2 and northeastern #1 (with directional respect to the disposal well #8), have total dissolved solids (TDS) that are essential the same, about 98,600 mg/L. The down-dip #7 and the #3, respectively southwest and south of #8, reflect TDS's of 114,000 mg/L. Importantly, disposal well #8 has TDS's of only 79,800 mg/L. The waters disposed into #8 are a mixture of produced waters from other fields and include the Mesquite wells.

The increase in TDS from the north (wells #2 and #1) from 98,600 mg/L to 114,000 mg/L to the south can be understood because as the groundwater moves down-dip because it is dissolving additional formation rock including dolomite  $(CaMg(CO_3)_2)$ . The north-to-south reduction in sodium (Na) and increase in calcium (Ca) can be as a result of ion exchange in the bentonitic clays in and above the Magurder pay, one of which was described as a "marker" zone by Havenor (2008).

The alkalinity of the water sampled from the #8 disposal well is 80% greater than the average of the four Mesquite wells. Magnesium (Mg) in #8 waters is only 46.4% of the Magruder zone waters in the four Mesquite wells. This relationship indicates the disposal waters came for formations of predominately limestone composition (CaCO<sub>3</sub>) rather than dolomite. There is no limestone in the Yates Formation of the Magruder field above the bottom of the #8, and more distant deep wells, both north and south, do not indicate limestones until significantly deeper formations are penetrated.

The specific and overall hydrochemistry of the waters from wells #1, #2, #3, and #7, as compared to those from the disposal well #8, clearly demonstrate there is no vertical hydraulic communication - in either direction. Given the hydraulic as well as the hydrogeochemical evidence, there can be no support for the concept that disposal into #8 is or could communicate with the overlying zones of porosity, especially locally, but more so at a distance such as to the Magnolia #1 well in Section 14 to the northwest.

All factors considered in this discussion as to the isolation of waters disposed into the Mesquite #8 Exxon State lead to the single conclusion that waters put into the disposal well cannot and do not move vertically upward into, or downward from overlying zones. There are effectively non-transmissive layers in the Yates Formation. The lateral movement of disposal waters within the disposal zone are addressed in the following section on Area of Influence.



#### VI. Area of Influence

The request for "an areal calculation (showing distances extending from the wellbore) of the waters that have been injected to-date since 1977" cannot, under existing conditions, be reasonably presented. The principal condition present in the Exxon State #8 is that the disposal zone (reservoir) takes water under vacuum. That condition existed in 1977 and persists today. Not having a measurable water level from the lower zone (684' - 694') precludes pump testing for transmissivity, specific capacity, or even acting as a monitoring well.

Estimations relative to aquifer nature were performed on the basis of water volumes (percentages) going into the various porosity horizons open below the casing in the Exxon State #8. The relative percentages of disposal waters entering each horizon below the casing, their individual thicknesses, allow an estimations of porosity for each of the zones from the gamma ray - compensated neutron and the injection profile - temperature logs show zones of water acceptance.

If one accepts that the parameters of the zones described prevail over a given area, for example 320 acres, it is possible to calculate the volume of porosity that would be filled in each zone (and would remain unfilled) based upon water injected since 1977. This in turn provides a view as to the nature of the Yates Formation disposal zones in the immediate area and a relationship as to what is actually happening due to disposal.

The zones' thicknesses and porosities were calculated individually for volumes over 320 acres. This calculation presents the space available within the limits of 320 acres. The barrels of water that have been disposed into the Exxon State #8 was converted to acre-feet (610.14) allowing computation of percentage of space filled over the past 31 years. Each zone was computed separately and the sum of those results show:

Reservoir acres % filled Total Ac-ft Ac-ft Empty 320 16.2 3760 3150

The 320 acre box shaped reservoirs that are calculated to be taking water have 83.8% of their original void spaces empty (16.2% full). This suggest several important considerations as to "(showing distances extending from the wellbore)":

1) We deductively know that the reservoirs were not filled with groundwater because no water was reported during cable tool drilling;

2) Water in the hole has been taken on vacuum since original drilling and disposal in 1977;

3) 81.8% of disposal water is presently going into the Yates Formation's "vuggy dolo" from 684 - 694' (original driller's log), and the hole is empty when disposal ceases;
3) Assume, for illustration purposes, the lower "vuggy dolo" was only one (1) foot thick then the water going into that zone would fill 499 acres;



a) in the worst case scenario the water would spread through the permeable zone in a parabolic manner, moving down-dip and spreading quasi-laterally;
b) the parabolic extent might be 0.44 miles laterally (both easterly and westerly from the well site) and 1.1 miles down-dip from the well site.

However, the lower zone is actually ten (10) feet thick. The rapid in-flow of disposed water will immediately fill the porous borehole area of the zone, but gravitational force will spread the water 360° outward and downward. The spreading rate will be dependent upon the permeability of the vuggy dolomite, but it is obviously high. The spread of water will then be wedge-shaped (vertically - full at the borehole, sinking and spreading outward 360°). The up-dip spread distance will be slightly less than the down-dip spread, but the overall shape will be an inverted cone that is 10' high. A 10 ft high cone (the height of the lower reservoir) holding 499 ac-ft of water would have a base of 149.7 acres.

The point of the above exercises is to illustrate that the distribution of disposed water into the Exxon State #8 well would have no practical effect on any property within the Area of Review (502.7 acres). The reality, however, is the geological probability that the porosity zone is spread farther than the contained boxes described above. The extent, of course, is hypothetical, but if the porosity zone covered two sections, the ten-foot thick reservoir would only contain 4.7 inches of filled porosity after 31 years of disposal! With high porosity and permeability the wider the water spread will become, but simultaneously exponentially lessens the thickness of saturation. Similarly, a 3 section by 2 section wide reservoir 10-foot thick would only have about 1.5 inches of water saturated porosity in the bottom of the 10-foot thick reservoir - which would spread only under gravity drive.

#### VII. Area of Review Well Construction

The following tables present the known construction data on wells within the Area of Review.



3001532415 ESPERANZA 14 STATE 001 Hole Size 17-1/2 12-1/4 7-7/8 Top Yates 31 API Well Name	A 14 STATE	ANNOUND AND AND AND AND AND AND AND AND AND A						
11 5 3 1 8 7 7	AND A DESCRIPTION OF A	MEWBOURNE OIL CO	Active	14	215	27E	685F5L	660FWL
11531877		Surf Csg	Cement Sx	Intermed	Cement Sx	Produc Csg	Cement Sx	And a second
11521077	1/4 7-7/8	13-3/8 @ 420	400 circ	C sg 8-5/8 @ 2598	1400 circ	5-1/2 @ 11870	006	
11 5 2 1 8 7 7	Т 360	op Magruder	Top 7Rivers/Reef 581 802	Reef 802	Total Depth 11870	Total DepthElevation 11870 3244	4	
	_	Operator	Status	Section	Township	Range	Footage N S F	Footage E W
	ESPERANZA 15 STATE COM 001	MEWBOURNE OIL	Active	15	215	27E	22325	0E
Hole Size	a state and a subject of the decomposition of the state o	Surf Csg	Cement Sx	Intermed	Cement Sx	Produc Csg	Cement Sx	
17-1/2 12-1/4 7-7/8	1/4 7-7/8	13-3/8 @ 424	400 circ	Csg 8-5/8 @	1300 circ	5-1/2 @ 11834	650	
Top Yates		Top Magruder	Top 7Rivers/Reef	Zb15 eef	Total-Dept	Total DepthElevation		
	367		578 7	784	11835	5 3284	34	
API Well Name		Operatör	Status	Section	Township	Rande	Footage N S F	S Footage, E W
3001521167 BASS STATE COM 001	E COM 001	BEPCO, LP	Active	15	215	27E	1980N	660W
Hole Size		Surf Csg	Cement Sx	Intermed	Cement Sx	Produc Csg	Cement Sx	a for the intervention of the second
17-1/2 12-1/2 8-3/4	1/2 8-3/4	13-3/8 @ 622	650 filled	Csg 9-5/8 @ 2031	1425 circ	7" @ 11700	006	
Top Yates		op Magruder	fop 7Rivers/F	eef	Total Dept	Total DepthElevation		
	358		585 7	793	11700	0 3314	14	
API Well Name	÷	Operator	Status	Section	Township	Range	Footage N_S F	Footage E_W
3001501087 Magnolia St. 003	st. 003	Atha, Robert W.	Plugged	15	21S	27E	2310S	330E
Hole Size		Surf Csg	Cement Sx	Intermed	Cement Sx	Produc Csg	Cement Sx	
Ton-Yates		10-3/4 @ 40 Ton Marruder	7 7 Ton 7Rivers/Reaf	usg beef	Total Dant	Total DenthElevertion		

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	geN_S Footage_E_W 3305 990E	Cement Sx		IGE N S Footage E W				ige N_S Footage E_W	1650S 990E	ent Sx			ige N_S Footage E_W	1650S	Cement Sx		
3252	Footage	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	on 3282	Footage			3319	Footage		Csg Cement Sx		3256	Footage			101 - 3251	- 626
560	Township Range 21S 27E	Cement Sx Produc Csg	Total DepthElevation 586	Township Range	ŠX	Total DepthElevation	532	Township Range	21S 27E	Cement Sx Produc	Total DenthElevation	533	Township Range		Cement Sx Produc Csg	Total DepthElevation 532	700
	Section T 15	ermed	Reef	Section T	med	Csg . Reef		Section T	15	Intermed Csg	, and		Section		Intermed Csa	cee Seef	
	Status RGETT Plugged	Cement Sx 0	Top 7Rivers/Reef 584	Status Dhinggad	Cement Sx	Mudded Top 7Rivers/Reef	530	Status	Plugged		10 Ton 7Bivars/Baaf	531	Status	Plugged	Cement Sx	None Top 7Rivers/Reef	
	Operator EVERETT D BURGE	Surf Csg	Top Magruder 351 5i	Operator RUNNEL ROBERT I	Surf Csg	7" @ 179' Top Magruder	315	Operator	BUNNEL ROBERT L	Surf.Csg	7" @ 228 Ton Magnider		Operator	BUNNEL ROBERT L	Surf Csg	7" @ 179 - pulled Top Magruder 315	2
	Well Name ) State 002	Hole Size	Top Yates	API Well Name SODI 501093 MAGNOLIA ST 001	Hole Size	Top Yates		Well Name	4 MAGNOLIA ST 002	Hole Size	8" Ton Yates	) } - _ -	Well Name	5 MAGNOLIA ST 003	Hole Size	Top Yates	
	API 3001501090	New Art In the Arts and an art and a second and a		AP1 3001501093				API	3001501094				API	3001501095			

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API	Well Name		Status	Section	0	ge	Footage N S F	N_S Footage E_W
/ GOTOSTOOS	SUULSULUS/ FUKE SI UU4 Hole Size	BURGEII EVEKEII Surf Csg	Pluggea Cement Sx	LD Intermed Csg	Cement Sx Proc	duc Csg	Cement Sx	TOODE
	Top Yates 348	Top Magruder 18	Top 7Rivers/Reef	Ģ	Total DepthElevation 571	svation 3272		
API	Well Name	Operator	Status	Section	Township Ra	Range	Footage N_S F	_S Footage E_W
3001501098	PURE ST 005	BURGETT EVERETT	Plugged	15	21S 27E		990S	1650E
	Hole Size	•	Cement Sx	Intermed Csa	Cement Sx Pr	Produc Csg (	Cement Sx	
	Top Yates	7" @ 145 Top Magruder 350	10 Top 7Rivers/Reef	ef	Total DepthElevation	evation 3281		
						- 070		
API 3001501099	Well Name PURF ST ODG	Operator, RIRGETT EVERETT	Status Dhiograd	Section 15	Township Ran 715 775	ge	Footage N_S I	Footage E_W
	1	Surf Csg	Cement Sx	Lutermed	:X:	luc Csg	Cement Sx	TOCOT
	· · · · · · · · · · · · · · · · · · ·		- - -	Csg		· ·	•	
	Top Yates	Töp Magruder	Top 7Rivers/Reef	ef	Total DepthElevation	. •		·
					586	3290		
API	Well Name	Operator	Status	Section	Township Re	Range	Footage N_S I	S Footage E_W
3001501101	3001501101 CEDAR HILLS COM 001 HARVEY E. YAT	L HARVEY E. YATES	Plugged	15	21S 27E		1980S	660È
	Hole Size	Surf Csg	Cement Sx	Intermed	Cement Sx Produc Csg		Cement Sx	
	17-1/2 12-1/4 8-3/8	13-3/8 @ 573	600 circ	Csg 9-5/8 @ 2603	690 circ			
	Top Yates 32	Top Magruder 566 324	Top 7Rivers/Reef	ef 1	Total DepthElevation 12810	évation 3269		

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	8001501102 State 001	BRININSTOOL AM	1 Plugged	15	21S	27E	660S 660E	660E
	Hole Size	Surf Csg	Cement Sx	Intermed Csg	Cement Sx	Produc Csg	Cement Sx	
	Top Yates	8-5/8 @ 38 Top Magruder	10 Top 7Rivers/Reef	eef	Total DepthElevation	Elevation		
	- - -		550		562	3262	2	
API	Well Name	Operator	Status	Section	Township	Range	Footage N	_S Footage E_W
3001501103 STATE 001	STATE 001	RUTTER A W	Plugged	15	21S	27E	2310N	2310W
	Hole Size	Surf Csg	Cement Sx	Intermed Csg	Cement Sx	Produc Csg	Cement Sx	
	Top Yates	Top Magruder	Top 7Rivers/Reef	eef	Total DepthElevation	nElevation	c	
API	Well Name	Operator	Status	Section	Township	Range	Footage	N S Footage E W
3001521492	S COM C	2 HARVEY E YATES	CO Plugged	15	215	27E	650	1980E
	Hole Size	Surf Csg.	Cement Sx	Intermed Csa	Cement Sx	Produc Csg	Cement Sx	
	17-1/2 12-1/4 8-3/4	13-3/8 @ 618	575 filled	9-5/8 @ 294	9-5/8 @ 294 1100 circ	5-1/2 @ 11750	1125	
	Top Yates	Top Magruder	Top 7Rivers/Reef	eef	Total DepthElevation	nElevation		
	4	428	630 8	832	11750	3315	5	
API	Well Name	Operator	Status	Section	Township	Range	Footage	N S Footage E W
3001501054	3001501054 MAGRUDER 001	METCALF J E	Plugged	22	215	27E	33(	1650W
	Hole Size 10"	Surf Csg	Cement Sx	Intermed Csg	Cement Sx.	Produc Csg	Cement Sx	nanta manata di sumata da suna na suna materia sugi tematukan s
	Top Yates	Top Magruder	Top 7Rivers/Reef	eef	Total DepthElevation 603	hElevation 3 3299	6	

Footage N_S Footage E_W	660N 1980W	Cement Sx	950 to 9000			Footage N_S Footage E_W	1980N 1980E	Cement Sx		
	27E	Cement Sx Produc Csg Cement Sx	300 shoe 5-1/2 @ 11723 950 to 9000 360 top	Total DepthElevation	60 3300		27E	Cement Sx Produc Csg		Total DepthElevation 2350 3308
Township	23 21S 27E	Cement Sx	300 shoe 360 top	Total Dep	11760	Township	21S			Total Dep 23
Section	23	Intermed Csg	8-5/8 @ 2846	/Reef	814	Section	15	Intermed Csg	ulled	/Reef
Status	Plugged	Cement Sx	400 Circ	Top 7Rivers/Reef	565	Status	Plugged	Cement Sx	2050 Probably pulled	Top 7Rivers/Reef 620
Operator	BEPCO, LP	Surf Csg	11-3/4 @ 623	Top Magruder	394		MAGRUDER	Surf Csg		Top Magruder
API Well Name		Hole Size	15" 11" 7-7/8"	Top Yates	õ	Well Name	3001500000 PACIFIC COAST LAND	Hole Size		Top Yates
API	3001					API	3001			

### **References Cited**

- Havenor, K. C., 2008, Assessment of the geological structure and stratigraphy and hydrogeological setting of the Mesquite Exxon State No. 8 saltwater disposal well and other wells in and around Section 15, Township 21 South, Range 27 East, Eddy County, New Mexico, Expert report presented to NM Oil Conservation Division meeting re: C-108 application Mesquite SWD, Inc., August 5, 2008, Santa Fe, NM, 28 p.
- -----, 2008a, Discussion of Capitan Reef Aquifer salinity, Expert report for Mesquite SWD, Inc., Administrative Hearing NM Oil Conservation Division, scheduled September 17, 2008, Santa Fe, NM, xx p.
- Hiss, W. L., 1973, Capitan aquifer observation-well network Carlsbad to Jal, New Mexico, New Mexico Office of the State Engineer Technical Report 38, 76 p.





# Appendix A

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Hydrochemical Analyses

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F140NE (575) 393-2326 + 101 E. MARLAND - HOBBS. NM 88240

ANALYTICAL RESULTS FOR MESOUITE SWD, INC. ATTN: CLAY L, WILSON P.O. BOX 1479 CARLSBAD, NM 88221 FAX TO: (575) 885-9859

Sampling Date: 09/03/08 Sample Type: WASTEWATER Sample Condition: INTACT Sample Received By: HM Analyzed By: HM/TR

Receiving Date: 09/03/08 Reporting Date: 09/03/08 Project Owner: MESOUITE Project Name: EXXON Project Location: EDDY CO.

	Na	Ca C	Mg	¥	Conductivity	T-Alkalinity
LAB NUMBER SAMPLE ID	(IJgm)	(mg/L)	(Jug/L)	(պցռ)	(n S/cm)	(mgCaCO <sub>3</sub> /L)
ANALYSIS DATE:	80/80/60	80/80/60	09/08/08	09/02/08	09/0-4/08	00/00/08
H15855-1 EXXON ST #1	27,400	5,450	1,260	1,560		72
H15855-2 EXXON ST #2	11,800	1,490	972	1,400	110,000	19
H15855-3 EXXON ST #3	006'6	5,450	1,260	1.620		<u>8</u>
H15855-4 EXXON ST #7	7,940	5,610	1,120	2,000		8
H15855-5 EXXON S1 #8	25,800	3,290	535	2.700	92,000	760
Quality Control	R	48.1	53.5	2.80	<b>ļ</b>	RN
True Value QC	R	50.0	50.0	3.00		AN
% Recovery		96.2	101	93.2	100	AR
cent Difference	4X	8.0	4.8	2.1	0.1	Å
METHODS:	SMS	SM3500-Ca-D 3500-Mg E	3500-Mg E	8049	120.1	310.1

		ū	sor	co3	HCO <sub>3</sub>	Hq	SOT
		(mg/L)		(mg/L)	(mg/L)	(s.u.)	(mg/L)
ANALYSIS DATE:	ATE:	09/02/08		09/04/08	09/04/08	09/04/08	09/02/08
H15855-1	EXXON ST #1	57,000	73	0	88	6.78	98,700
H15855-2	EXXON ST #2	30,000	243	°	127	6.46	98,500
H15855-3	EXXON ST #3	30,000	11	0	78	6.82	114,000
H15855-4	EXXON ST #7	27,200	85	o	78	6.79	114,000
H15855-5	EXXON ST #8	49,000	162	0	927	7.10	79,800
Quality Contro	. IO	200		RR	1000	6.98	ХX
True Value QC	0	200	40.0	ЧZ	1000	7.00	Ц Ц Ц
% Recovery				ž	1001	6.66	NR
Relative Perc	Relative Percent Difference	v		AN	1	0.3	AN
				fr Ore	ir orc	, r C11	T OUT
MEI FIUUS:		19-0-0004MD	4.075	310.1	1015	150.1	160.7

Marin na 2 april Chemist

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PLENSE of The Libritium and Duringtone. Conditional elaberity and clearts evolution whether speed in contract or and, africal for the amount paid by cleart for analysis of a first and and the amount paid by cleart for analysis and and the amount paid by cleart for analysis and and the amount paid by cleart for analysis and and the amount paid by cleart for analysis and and the amount paid by cleart for analysis and and an analysis of the amount paid by cleart and and analysis and and analysis of the amount paid by cleart and and analysis and analysis and analysis and and analysis and analysis and analysis and analysis and and analysis and analysis and and analysis and and analysis and and analysis analysis and analysis and analysis and analysis analysis and analysis analysis and analysis and analysis analysis and analysis and analysis analysis



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A ARDINAL LABORATORIES

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Fax #:575-5010       Fax #:575-502       Fax #:575-502       Project Owner: Microsoft       Project Owner: Microsoft		P.O.#:	Gembany:	Attn:	0	1		A MANANA A MANANANANANANANA ANA ANA ANANANAN	PRESERV SAMPLING		илея 1975 17000 17000 17000 17000 17000 1700 17							aud in contract of krit, shell be lemined to ble arrockit paid by pha chart for the de in writing and voccurs by Castionarian 30 date arrocket paid the phase chart for the strain contraction of the strain of bless of order inverse it we done has a manual and phase	a marine powers, where is howe, we goes to provide incorpore by carrier, has accessible for, Are such claim in bosod upon any of the above stated heatans of otherwise.	Phone Result: Fax Result: DEMARKS.			Samula Condition / CHECKED RY/	
	NIT ONTS	312 50.01	15	WM ZID: C	75-325-9	wner: 1976 Sch		15		SS TER	awdnuo) Awdnuo) Atawate/	м \ есе (c)	<u> </u>     	   	/ # 8	ar - Johnson Methods Paris		ยสีเด้าร้าง สนกในรักษ์ รังการสนุ่ง ไป: สาร ประกา สามาณ์ เครื่อยังค่า ชัง 5- รัชนสรี หาริสปัตร์ 14 สีเรีย ชิงสารี ชิงส์ ออสราคน์ หาลังจังรันสรีเรริ 14 สามาร์รับสี เป็นสารีรรัง ให้สำครับการเหต่าง การการกราครับสาร	respectively and a subsection of the second structure and the second structure of t	Timer Acceived By:	Reput	Time:	, της	

† Cardinal cannot accept verbal changes. Please fax written changes to 575.393-2476.

# Appendix B

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Plug and Abandon Well Diagrams

Page 20

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API WELL NAME STATUS	STATUS	SEC	TINSHIF	THSHIP RANGE FOC	FOOTAGE M-S F	FOOTAGE F-W	OPERATOR' I AND TVDE	AND TYPE V	MELL TYDE				
3001532415 ESPERANZA	Active	11	21.05	27E		660 W		State		j i			
8001501091 EXXON STATE Active	Active	15	21.05	27E	1650.5	1650 E	MESOUITE	State	0	0375		8/ 1/ 1/ 1/ 2/2	
3001501096 EXXON STATE Active	Active	15	21.05	27E	660 S	1980 E	MESOUITE	State	00	3298	100 J	007/H-70	104-17447
	Active	15	21.05	27E	2232 5	1980 E	MEWBOUR	State	े ए ;	2384	11825	C0+/+/70	00001.401
	Active	15	21.05	27E	N 0361	660 W	BEPCO, LP	State	) (C	3296	UULLI	100/07/07	SCASE ADE
5.	Plugged	15	21.05	:276	2310 \$	330 E	Atha,	State	c	3757	2 EFD	CLOTA CE - 192	104-104-101
3001501090 State 002	Plugged	15	21,05	27E	330 S	990 E	EVERETT D	State	0	3282	188	CLEAD CE	
3001501093 MAGNOLIA	Plugged	15	21,05	27E	1650 S	2310 W	BUNNEL	State	0	3319	506 (		HC7/THOT
SUUTSUTOS4 MAGNOLIA	Plugged	15	21.05	27E	1650 S	990 E	BUNNEL	State	C	3756	, tty	OVLLV CE	
3001501095 MAGNOUA	Plugged	15	21.05	27E	1650 S	330 E	BUNNEL	State	) C	3251	521	CALLA CE	
3001501037 PURE ST 004	Plugged	15	21.05	27E	2310 5	1650 E	BURGETT	State	c	1070			
3001501093 PURE 5T 005	Plugged	15	21.05	27E	5 066	1650 E	BURGETT	State	¢	1365	1 1 1		
3001501099 PURE 5T 006	Plugged	15	21.05	27E	330 5	1650 E	BURGETT	State	¢	3790	2021		1044717401
SCO1501101 CEDAR HILLS	Plugged	. 15	21.05	27E	1980.5	660 E	HARVEY E.	State	<b>ک</b> د	1760	Apr -	C/C/ 5.70	104-1-40T
3001501102 State 001	Plugged	15	21.05	27E	660 S	660 E	BRININSTO	State			771071	158/9/7c	C21/1.P01
3001501103 STATE 001	Plugged	15	21.05	27E	2310-N	2310 W	RUTTER A W	state		2076 6160	100	20101 DC	071/1.601
3001521492 CEDAR HILLS	Plugged.	15	21,05	27E	1650 N	1980 E	HARVEY F	State	5 U	3165	11750 -	00105-75	104'T / RRA
3001501092 EXXON STATE TA	TÀ	15	21.05	27E	1650.5	2310 E	MESOUITE	State	0' C	CICC	200	32.48290	CCC/ 1.401
3001501100 EXXON STATE TA	TA	15	21.05	27E	5:066	2310 E	MESOUTE	State		7070	0/5	32.4/130	104.1.405
3001501054 MAGRUDER	Plugged	22	21,05	:27E	N.088	1650 W	METCALF J E	State	òò	3295	03 603	20174.26	104,17603
Fig. 11 Wells in Area of Review penetrating the injection horizon of Exxon State #8	in Area (	ofRe	view J	cenetrating	g the inject	ion horizon	of Exxon S	tate #8					

Page 22

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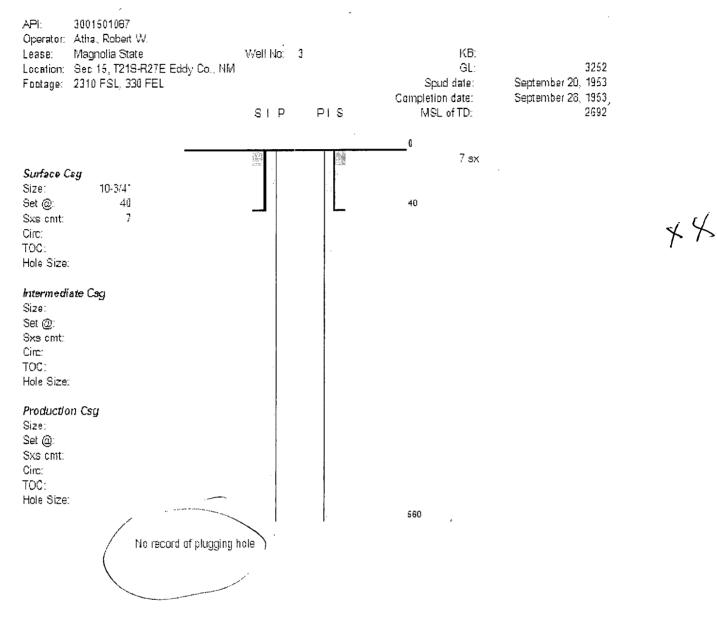
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PLUG AND ABANDON WELL DIAGRAM 3001500000 API: Operator: Magnider Pacific Coast Land Well Nation 1 Lease: KB: GL: 3316 Location: Sec 15, T21S-R27E Eddy Co., NM Footage: 1980 FNL, 1980 FEL June 30, 1934 Spud date: August 6, 1945 Completion date: Drin Opr: A & N Drilling Co MSL of TD: 966 Q No plugging data f 1 Surface Csg 7' Size: 1 Orig abn 1/29/1935 WO began 2/19/1945 Set @: 2050 Sxs cmt: mudded Circ: TDC: ?" probably pulled Hole Size: I 1 L Internediate Csg ł Size: Set @: Sxs cmt: Circ: TDC: Hole Size: I Production Csg Size: Set @: Sxs cmt: 1 i 1\_ Circ: 2050 \_\_\_ TOC: Hole Size: 2360

. APt 3001501054 Operator: J E Metcalf Lease: Magruder Well No: 1 KB: Location: Sec 22, T21S-R27E Eddy Co., NM GL: 3299 Footage: 330 FNL, 1650 FWL April 19, 1943 Spud date: Completion date: MSL of TD: May 10, 1943 2696 Ð Cemented marker ?, Sxs Surface Csg Size: None Set @: Sxs cmt: Circ: TOC: Hole Size: Intermediate Csg Size: Set @: Sxs cmt: Circ: TOC: Hole Size: Production Csg Size: Set @: Sxs cmt: Circ: TOC: Hole Size: 603 10 sk cement plug

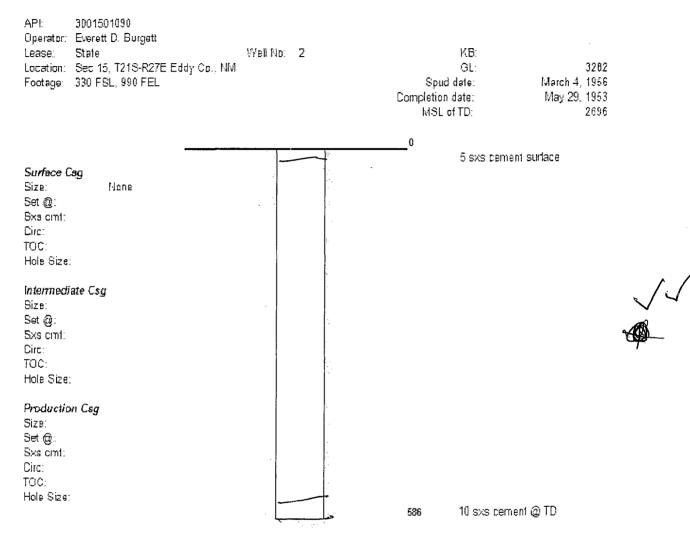
#### PLUG AND ABANDON WELL DIAGRAM



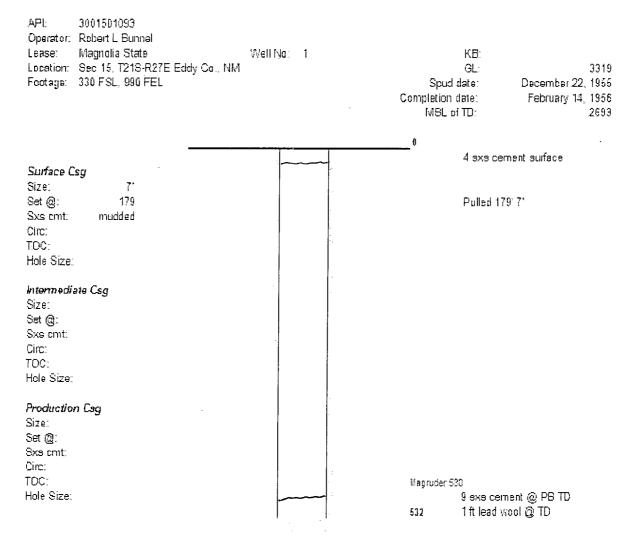






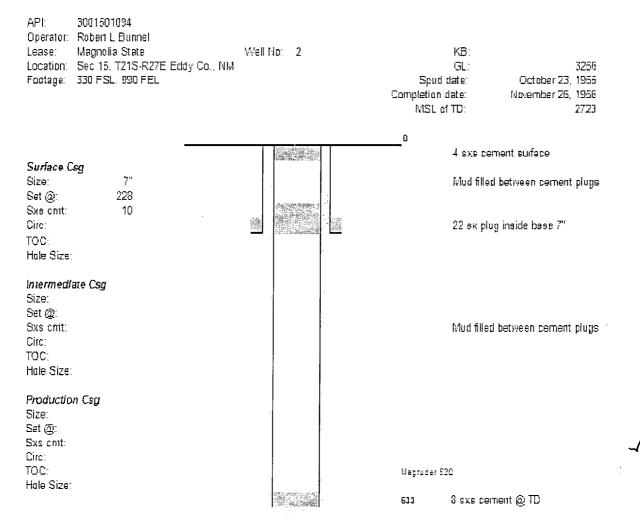






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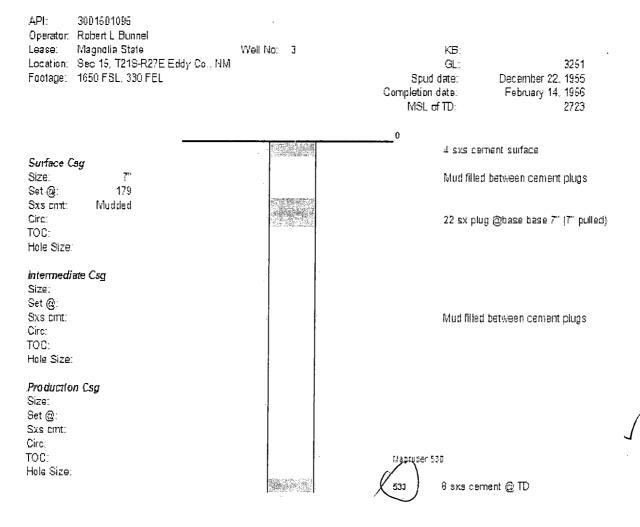




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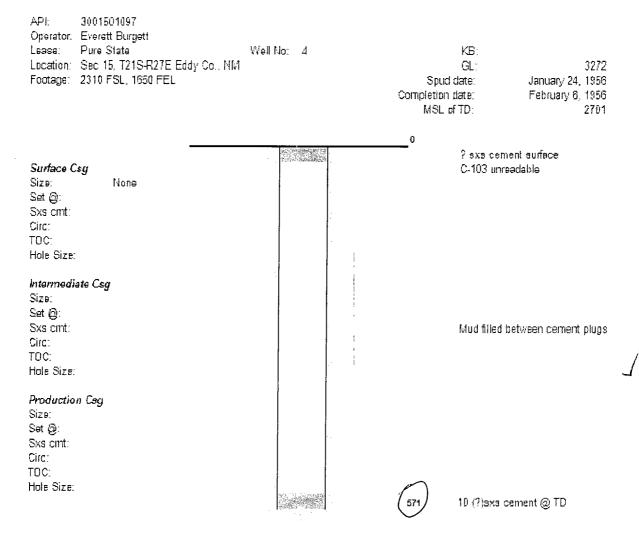






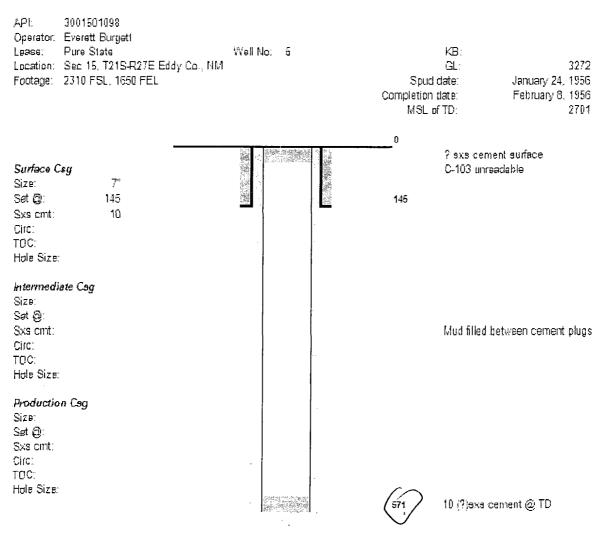
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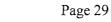




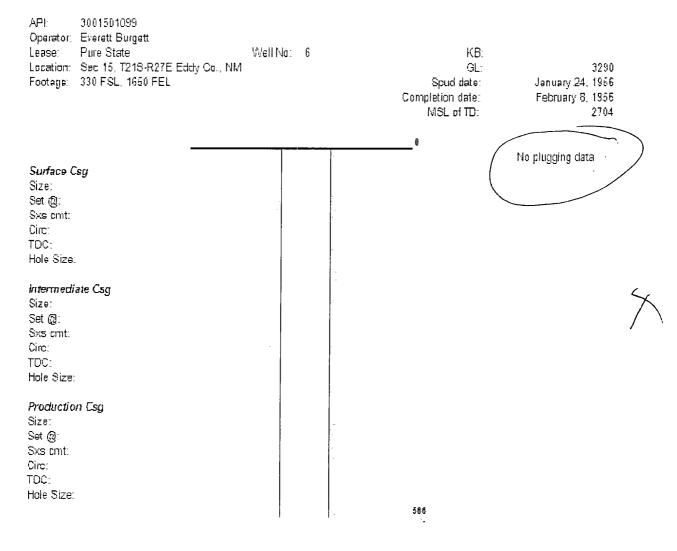
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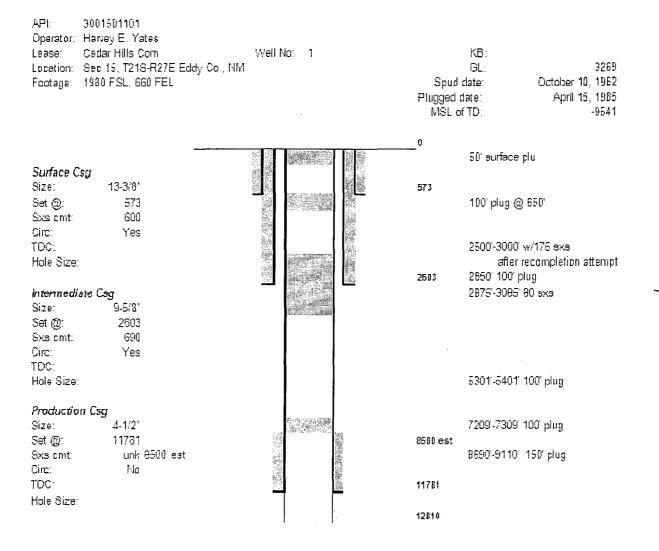
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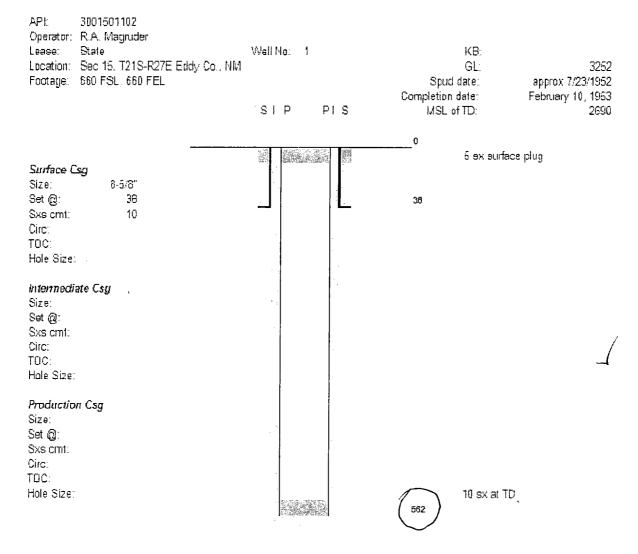




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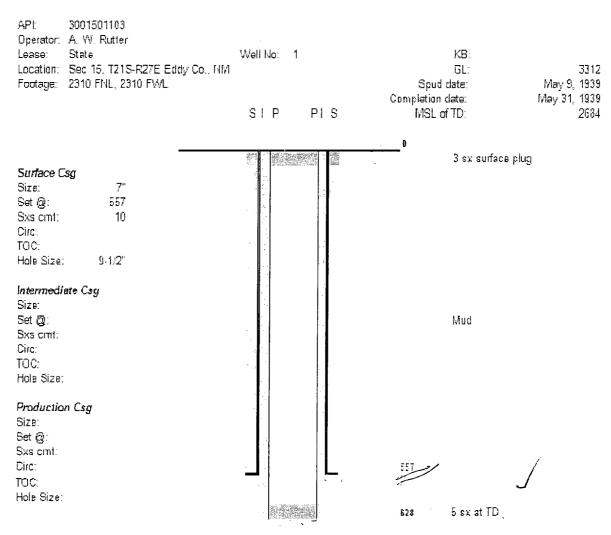






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Operator: Lease: Location:	3001521263 BEPCO LP State 22 Com Sec 22, T21S-R27E Eddy Co., NM 660 FNL, 1960 FWL	Well No: 1	Spud Plugged MSL d	date: March 12, 1996
		n an 1999 <b>i</b> 198 Barrett Harvett in State 144 Barrett in State	0	
Surface Cs				Surface 10 sx cement plug
Size:	<b>י9</b> 11-3/4"		623	55 ex 523-723
Set @:	623			00 011000 120
Sxs cmt:	575			
Circ:	Yes			Tog parted w/poss ogs part
TDC:	0			1780° @ base of "cavern"
Hole Size:	15"			0
			2846	60 sxs 2699-2946 (Delaware)
Internedia	te Csg			
Size:	8-5/8"			45 sxs 3086-3338 (Cherry Can)
Set @:	2846			
Sxs cmt:	690			
Circ:	Yes			45 sxs 5212-5464 (Bons Spg)
TDC:	Q			
Hole Size:	11"	and a start a		35 sxs in-out 5-1/2" stub
Due els settes s	- <b>C</b>	Ka 68763892 B		55 вхв 8812-9100 (Wolfcamp)
Production	-			
Size: Set @:	5-1/2" 11723			30 exs 10119-10390 (Strawn)
Ser ig. Sxs cmt:	950 staged			50 BX8 10113-10550 (Siladii)
Circ:	No	li anna an A		30 sxs 10432-10703 (Atoka)
TDC:	9000			20 5/2 10452 10100 (vicina)
Hole Size:	7-7/B"	15 <b>22 20 20 1</b>		50 sxs 10887-11338 (Morraw)
			11760	PB 11723



A. A. B. B



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