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orm 3160-5 June 2015) DI B	UNITED STATES EPARTMENT OF THE II UREAU OF LAND MANA	S NTERIOR GEMENT	NMOCD Hobbs	FORM OMB N Expires:	I APPROVED NO. 1004-0137 January 31, 2018
SUNDRY	NOTICES AND REPO	RTS ON WELLS		 Lease Serial No. NMNM118722 	
Do not use th abandoned we	is form for proposals to II. Use form 3160-3 (APL	drill or to re-enter a D) for such proposi	an als. BS OCD	6. If Indian, Allottee	or Tribe Name
SUBMIT IN	TRIPLICATE - Other inst	ructions on page 2	APR 0.6 2018	7. If Unit or CA/Agr	eement, Name and/or No.
1. Type of Well Oil Well 🖸 Gas Well 🔯 Ot	her: INJECTION		ALENE	8. Well Name and No. SALADO DRAW	2. SWD 13 1
2. Name of Operator MESQUITE SWD, INC.	Contact: E-Mail: mjp1692@	MELANIE J WILSOI gmail.com	RECT	9. API Well No. 30-025-42354	
3a. Address PO BOX 1479 CARLSBAD, NM 88221		3b. Phone No. (include Ph: 575-914-1461	e area code)	10. Field and Pool or SWD;DEVONI	Exploratory Area
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description))		11. County or Parish	, State
Sec 13 T26S R32E Mer NMP	SWSW 290FSL 10FWL		/	LEA COUNTY,	NM
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICATE NA	TURE OF NOTICE,	REPORT, OR OT	HER DATA
TYPE OF SUBMISSION		4	TYPE OF ACTION		
Notice of Intent	□ Acidize	Deepen	Product	ion (Start/Resume)	UWater Shut-Off
Cubacquant Danart	□ Alter Casing	Hydraulic F	racturing 🔲 Reclam	ation	Well Integrity
	Casing Repair	□ New Constr	uction 🛛 Recomp	olete	□ Other
Final Abandonment Notice	Change Plans	□ Plug and Ab	andon 🗖 Tempor	arily Abandon	
whipstock, sidetrack at approx and run 7 5/8 inch liner. Drill Detailed drilling plan and prop	kimately 11530 ft with 8 1/2 6 1/2 inch open hole to 19 losed well bore diagram an	2 inch bit, drill to app 300 ft. re attached.	proximately 17820 ft	, unu	
plug lengthe 10m tested to	nd. 10,000pri!		SEE ATTAC	CHED FOR	ROVAL
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #4 For MESC Committed to AFMSS for	07575 verified by the QUITE SWD, INC., ser processing by PRIS	BLM Well Information to the Hobbs CILLA PEREZ on 03/10	n System 6/2018 ()	
Name (Printed/Typed) MELANIE	JWILSON	Title	REGULATORY AN	ALYST	
Signature (Electronic	Submission)	Date	03/13/2018	PPROVED	K
	THIS SPACE FO	R FEDERAL OR	STATE OFFICE U	SE / /	
Approved By		Title		APR 4/2018	pare
onditions of approval, if any, are attache rtify that the applicant holds legal or equivalent the second seco	d. Approval of this notice does attable title to those rights in the	not warrant or subject lease	DINDER	J OF LAND MANAGE	STENT ///
nich would entitle the applicant to condu	ict operations thereon.	Office	CAP	RESBAN HILLO UTIN	
itle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any person kno to any matter within its ju	wingly and willfully to ma ursdiction.	ake to any cepartment of	agency of the United
itle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent nstructions on page 2)	U.S.C. Section 1212, make it a of statements or representations as	crime for any person kno to any matter within its junction PERATOR-SUBM	wingly and willfully to ma urrisdiction.	RISBAN ALLO OTTA	agency of the United
itle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent nstructions on page 2)	U.S.C. Section 1212, make it a distatements or representations as	crime for any person kno to any matter within its ju	wingly and wilffully to ma unsdiction.	RISBAN ALLO OTTA	agency of the United

Mesquite SWD, Inc. Salado Draw SWD 13 #1 API #30-025-42354 290' FSL & 10' FWL Section 13, T26S, R32E Lea County, New Mexico

Proposed Drilling Program

Attached to BLM Form 3160-5, Sundry Notice requesting permission to enter the above described temporarily abandoned well bore.

1. Geologic Formation

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TVD of Target	19300'	Pilot hole depth	N/A
MD at TD	19300'	Deepest expected fresh water	N/A

Formation	TVD	Water/Mineral Bearing/Target Zone	Hazards
Rustler	700'	Water	
Lamar	4710'	Oil/Gas	
Bell Canyon	4745'	Oil/Gas	
Cherry Canyon	5735'	Oil/Gas	
Bone Spring	7285'	Oil/Gas	
Wolfcamp	11375'	Oil/Gas	*
Morrow	14650'	Oil/Gas	
Barnett Shale	15440'	Oil/Gas	
Mississippian	15840'	Oil/Gas	
Woodford	17405'	Oil/Gas	
Silurian	17730'	Target	
TD ,	19300'		

2. Casing Program

Casing Hole **Casing Interval** Weight SF SF SF From Collapse Size To Size (lbs) Grade Conn Burst Body 20" 747 J55 BTC 0 16" 75 Existing Existing Existing 14.75" 0 (4547 13.375" 68 J55 W513 Existing Existing Existing 12.25" 0 12198 9.625" 53.5 P110 BTC Existing Existing Existing 11130 P110 FJM 1.23 8.5" 17820 7.625" 39 1.18 3.4 17820 19300 Hole 6.5" Open

See welbore diagram

117(5' (215' plug reedid)

Propose to set cement plug 11550-11660'. Set whipstock and sidetrack at 11530'. Drill 8.5" hole to top of Devonian and run 7.625" flush joint liner. Drill 6.5" open hole disposal interval to approximately 19300'.

	YorN
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes, attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within designated 4 string boundary?	
Is well located in SOPA but not in R-111-P? If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	N
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

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3. Cementing Program

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Casing	Sks	Wt lb/gal	Yld ft ³ /sk	H ₂ O gal/sk	Slurry Description	тос	% Excess
Surface	840	Existing	5 A.			Surface/Circ	
1st Intermediate	1100	Existing				Surface/Circ	
2nd Intermediate	1920	Existing				Surface/Circ	
Production	300	Existing				11609'/CBL	
Production	390	13	1.465	7.46	Neocem w/ 0.5% Gas Stop	11130'/CBL	30

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Salado Draw SWD #1 Drilling Program - pg. 2

4. Pressure Control Equipment

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N A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP Installed and tested before drilling which hole?	Size	Min. Required WP	Туре	x	Tested to:	
			Annular	x	5000 psi	6,000
	P		Blind Ram		1	
8 1/2"	13-5/8''	10M	Pipe Ram		10M	
1			Double Ram			
			Other:			

BOP/BOPE will be tested by an independent service company to 260 psi low and the high pressure indicated above per Onshore Order 2 Requirements. The system may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke likes and choke manifold. See attached schematics.

	Formation integrity test will be performed per Onshore Order #2.
Y	On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i
* Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
	N Are anchors required by manufacturer?
N	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

5. Mud Program

Depth		Sector Sector			
From	То	Туре	Weight (ppg)	Viscosity	Water Loss
		Weighted polymer			
11530'	17820'		12.0 - 13.5	38 - 45	8 - 10
17820'	19300'	Fresh water	8.4 - 9.0	28	NC

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring
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Salado Draw SWD #1 Drilling Program - pg. 3

6. Logging and Testing Procedures

Logging and Testing Procedures

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Y Will run GR/CNL from TD to KOP Stated logs run will be in the Completion Report and submitted to the BLM

Y No logs are planned based on well control or offset log information

N Drill stem test? If yes, explain

N Coring? If yes, explain

		Additional logs planned
N	Resistivity	
Ν	Density	
Y	CBL	7 5/8" Production liner
Υ	Mud log	Sidetrack to TD
N	PEX	

7. Drilling Conditions

Condition	Specify what type and where?			
BH Pressure	8214 PSI at 19130' TVD			
Abnormal Temperature	No Anticipated BHT 270°			

8. Other Facets of Operation

	Attachments
Х	H2S Plan
Х	BOP & Choke Diagrams
Х	Directional Plan
Х	Request for Flex Hose Variance





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10M BOP/BOPE/Choke Diagram



P = Positive Closing Choke

SEAL-LOCK SF

7.625" 39.00 LB/FT (.500" Wall) USS P110 HC

Pipe Body Data

Nominal OD:	7.625	in	
Nominal Wall:	.500	in	
Nominal Weight:	39.00	lb/ft	
Plain End Weight:	38.08	lb/ft	
Material Grade:	USS P110 HC		
Mill/Specification:	USS		
Yield Strength:	110,000	psi	
Tensile Strength:	140,000	psi	
Nominal ID:	6.625	in	
API Drift Diameter:	6.500	in	
Special Drift Diameter:	None	in	
RBW:	87.5 %		
Body Yield:	1,231,000	lbf	
Burst:	12,640	psi	
Collapse:	12,180	psi	

Standard OD:	7.844	in			
Pin Bored ID:	6.575	in			
Critical Section Area:	8.396	in ²			
Tensile Efficiency:	75.0 %				
Compressive Efficiency:	52.4 %				
Longitudinal Yield Strength:	924,000	lbf			
Compressive Limit:	646,000	lbf			
Internal Pressure Rating:	12,640	psi			
External Pressure Rating:	12,180	psi			
Maximum Bend:	34.6	°/100ft			
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Operational Data

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Notes



Generated on 4/4/2018 10:38:59 AM Please visit http://www.huntingplc.com for the latest technical information.

Mesquite SWD

Lea County, NM (NAD 83) Sec 13-T26S-R32E Salado Draw SWD #13-1

Wellbore #1

Plan: Plan #1

Standard Planning Report

28 February, 2018

Planning Report

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Database: Company: Project: Site: Well: Wellbore: Design:	EDM Mesq Lea C Sec 1 Salad Wellb Plan 5	5000.1 uite SWD ounty, NM (N/ 3-T26S-R32E o Draw SWD # ore #1 #1	AD 83) #13-1	Local Co-ordinate Reference:Site Sec 13-T26S-R32ETVD Reference:KB=28 @ 3199.0usftMD Reference:KB=28 @ 3199.0usftNorth Reference:GridSurvey Calculation Method:Minimum Curvature						
Project	Lea Co	ounty, NM (NA	D 83)							
Map System: Geo Datum: Map Zone:	US State North Ar New Me	e Plane 1983 nerican Datum xico Eastern Z	1 1983 Cone		System Da	tum:	М	ean Sea Level		
Site	Sec 13	-T26S-R32E								
Site Position: From: Position Uncert	Maj ainty:	0	Northi Eastin .0 usft Slot R	ng: g: adius:	377 757	,688.00 usft ,118.00 usft 13-3/16 "	Latitude: Longitude: Grid Converg	gence:		32° 2' 11.156 N 103° 38' 13.101 W 0.37 °
Well	Salado	Draw SWD #1	13-1		(Charles and				ava s	
Well Position	+N/-S +E/-W		0.0 usft No 0.0 usft Ea	rthing: sting:		377,688.00 757,118.00	usft Lat	itude: ngitude:		32° 2' 11.156 N 103° 38' 13.101 W
Position Uncert	ainty		0.0 usft We	ellhead Elevati	on:	0.0	usft Gro	ound Level:		3,171.0 usft
Wellbore	Wellbo	ore #1								t and an and a second second
Magnetics	Mo	odel Name	Sample	e Date	Declina (°)	ition	Dip / (Angle °)	Field St (n	trength T)
		HDGM	1	2/28/2018		6.80		59.70	6	47,829
Design	Plan #	1				New York				
Audit Notes:										
Version:			Phase	»: Р	LAN	Tie	On Depth:		0.0	
Vertical Section			Depth From (TV (usft)	יס)	+N/-S (usft)	+E (u	5/-W sft)	Dìr	ection (°)	and the second
			0.0		0.0	0	0.0	9	0.00	
Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
8,913.4	0.00	0.00	8,913.4	0.0	0.0	0.00	0.00	0.00	0.00	
9,163.4	5.00	90.00	9,163.1	0.0	10.9	2.00	2.00	0.00	90.00	
11 458 4	0.00	0.00	11,450.0	0.0	200.0	2.00	-2.00	0.00	180.00	
19,300.0	0.00	0.00	19,291.6	0.0	200.0	0.00	0.00	0.00	0.00	

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COMPASS 5000.1 Build 74

Planning Report

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Database:	EDM 5000.1	Local Co-ordinate Reference:	Site Sec 13-T26S-R32E
Company:	Mesquite SWD	TVD Reference:	KB=28 @ 3199.0usft
Project:	Lea County, NM (NAD 83)	MD Reference:	KB=28 @ 3199.0usft
Site:	Sec 13-T26S-R32E	North Reference:	Grid
Well:	Salado Draw SWD #13-1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1	경제 선생님이 집에 걸려 가지?	
Design:	Plan #1		STATISTICS STATISTICS STATISTICS

Planned Survey

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Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
8,913.4	0.00	0.00	8,913.4	0.0	0.0	0.0	0.00	0.00	0.00
Nudge 2°/100	1 8 3 m 1 1					de the last		S. C. S. S. S.	
9,163.4	5.00	90.00	9,163.1	0.0	10.9	10.9	2.00	2.00	0.00
EON HLD 5° I	Inc.								
11,208.4	5.00	90.00	11,200.3	0.0	189.1	189.1	0.00	0.00	0.00
DROP 2º/100									
11,458.4	0.00	0.00	11,450.0	0.0	200.0	200.0	2.00	-2.00	0.00
EOD HLD 0° I	Inc.								
19,300.0	0.00	0.00	19,291.6	0.0	200.0	200.0	0.00	0.00	0.00
TD				MARCANAL .					

Design Targets

Target Name - hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting		
- Shape	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)	Latitude	Longitude
Salado Draw SWD #13- - plan hits target cent - Circle (radius 200.0	0.00 ter)	0.00	0.0	0.0	0.0	377,688.00	757,118.00	32° 2' 11.156 N	103° 38' 13.101 W
TD Salado Draw SWD # - plan hits target cent - Point	0.00	0.00	19,291.6	0.0	200.0	377,688.00	757,318.00	32° 2' 11.143 N	103° 38' 10.777 W

Plan Annotations

Measured	Vertical	Local Coon	dinates		
Depth (usft)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Comment	
8,913.4	8,913.4	0.0	0.0	Nudge 2°/100'	*
9,163.4	9,163.1	0.0	10.9	EON HLD 5° Inc.	
11,208.4	11,200.3	0.0	189.1	DROP 2°/100'	
11,458.4	11,450.0	0.0	200.0	EOD HLD 0° Inc.	
19,300.0	19,291.6	0.0	200.0	TD	

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Salado Draw SWD 13 1 30-025-42354 Mesquite SWD, Inc. April 4, 2018 Conditions of Approval

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by July 4, 2018.

- 1. Operator shall tag cement at 14,004'. If cement does not tag at that depth, contact the BLM prior to continuing.
- 2. Operator shall set a balanced Class H plug from 11,765'-11,550' to seal top of liner. WOC and TAG. Operator is approved to set whipstock as proposed.
- 3. Operator approved to run 7.625'' casing. Cement calculates to 10%, more cement may be required. Must conduct a casing integrity test prior to continuing on, submit results to BLM. Open hole from 17,820'-19,300'.
- 4. Surface disturbance beyond the originally approved pad must have prior approval.
- 5. Closed loop system required.
- 6. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 7. Operator to have H2S monitoring equipment on location.
- 8. A minimum of a **10000 (10M)** BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (10M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
- 9. Subsequent sundry required detailing work done and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.

10. See attached for general requirements.

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JAM 040418

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

General Requirements for Plug Backs

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **<u>ninety (90)</u>** days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. <u>Notification:</u> Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

3. <u>Blowout Preventers</u>: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. <u>Mud Requirement:</u> Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. <u>Cement Requirement</u>: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. <u>Subsequent Plug back Reporting</u>: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. <u>Show date work was completed.</u>

7. <u>Trash:</u> All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.