MESQUITE SWD, INC.

PO Box 1479 CARLSBAD, NM 88220 575-628-0391

January 4, 2018

New Mexico Oil Conservation Division Attention: Mr. Phillip Goetze 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re:

Request for Permit Approval Extension

C-108 Authorization to Inject (Order SWD-1610)

Approved January 13, 2016

Gnome East SWD #1

Township 23 South, Range 30 East, N.M.P.M.

Section 35: 220' FNL & 305' FWL

Eddy County, NM

Dear Mr. Goetze:

Mesquite SWD, Inc. respectfully requests administrative approval for a one year extension of the approved C-108 authorization to inject for the above referenced well.

The drilling of this well was postponed due to the drastic reduction in drilling in the area. With the increased activity in the area, we would like to drill this well in late 2018.

There have been no wells drilled within the area of review, nor any ownership or operator changes requiring additional notice since the order was issued.

Please contact me at 575-914-1461 if you need further information.

Thank you for your consideration of this request.

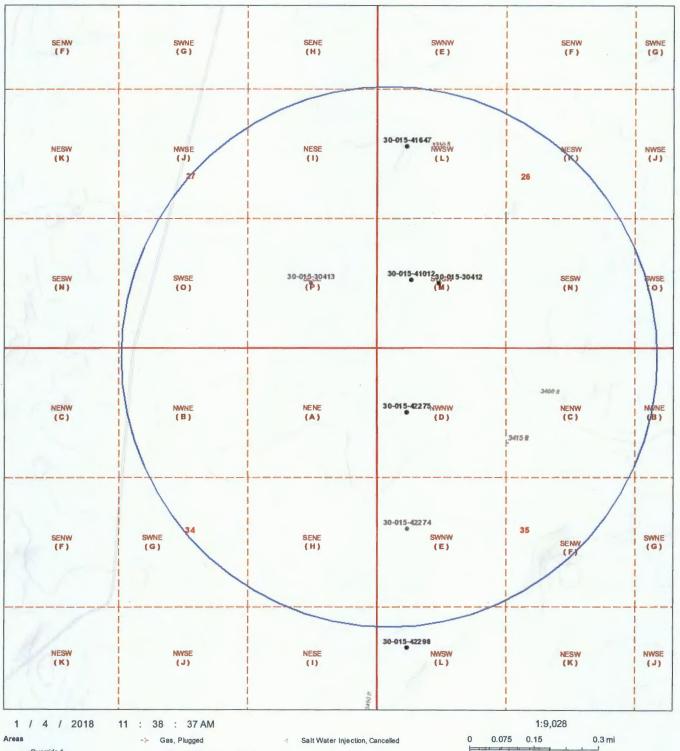
Sincerely,

Melanie J. Wilson

Regulatory Analyst

Melanie J Wilson

Gnome East SWD #1 Area of Review



Override 1 Gas, Temporarily Abandoned Salt Water Injection, New 0 0.075 0.15 0.3 km Well Locations - Large Scale Injection, Active Salt Water Injection, Plugged <all other values> Injection, Cancelled Salt Water InjectionTemporarily Abandoned Miscellaneous Injection, New Water, Active CO2 Active Injection, Plugged Water, Cancelled CO2 Cancelled Injection, Temporarily Abandoned . Water, New CO2 New Oil. Active . Water, Plugged CO2, Plugged Oil, Cancelled Water, Temporarily Abandoned CO2, Temporally Abandoned → Oil, New OCD District Offices Oil, Plugged PLSS Second Division Sources: Esri, HERE, DeLorme, Intermap, Increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstop, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community Gas, Cancelled, Never Drilled Oil, Temporarily Abondoned PLSS First Division Salt Water Injection, Active

Goetze, Phillip, EMNRD

From:

Goetze, Phillip, EMNRD

Sent:

Tuesday, January 9, 2018 9:46 AM

To:

'mjp1692@gmail.com'

Cc:

clay@mesquiteswd.net; McMillan, Michael, EMNRD

Subject:

RE: REQUEST FOR EXTENSION OF SWD-1610

RE: Gnome East SWD No. 1 (API 30-015-43801) SWD-1610

Melanie:

I have reviewed your request to extend order SWD-1610 and the Division will honor the request. However, this may be the opportunity to resolve the conflict of the surface location between the approved APD (1659 FSL, 268 FWL) and the current SWD order (220 FNL, 305 FWL). If you would submit a second correspondence requesting an amended order for the new surface location with the following findings:

- 1. Are the same AOR wells for both the original application location and the new location? If so, state this. Or if the re-location includes a new AOR well, please provide this information.
- 2. Does the shift in surface location change the affect persons those notified in the original application within the ½-mile radius? If there is a new operator, then they will have to be notified.

The original application by R360 (with AOR and notice) is located at: http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pMAM1536258742

With this request, the Division would provide an amended order with the extended end date. The location of the proposed well within the R-111-P/Secretary's Order makes the surface location in the federal APD the "real" location. It's doubtful that Mesquite would get another location approved. Please consider this opportunity and contact me with any questions. PRG

Phillip Goetze, PG

Engineering Bureau, Oil Conservation Division, NM EMNRD 1220 South St. Francis Drive, Santa Fe, NM 87505

Direct: 505.476.3466

E-mail: phillip.goetze@state.nm.us

From: mjp1692@gmail.com [mailto:mjp1692@gmail.com]

Sent: Thursday, January 4, 2018 12:09 PM

To: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us>

Cc: clay@mesquiteswd.net

Subject: REQUEST FOR EXTENSION OF SWD-1610

Hi Philips,

Attached is a letter requesting an extension on Mesquite SWD, Inc's Gnome East SWD #1, Order SWD-1610. Please let me know if you need anything further to process this request.

Thank you! Melanie Wilson 575-914-1461

Mjp1692@gmail.com

Goetze, Phillip, EMNRD

From:

Melanie Wilson <mjp1692@gmail.com> Wednesday, March 14, 2018 3:41 PM

Sent: To:

Goetze, Phillip, EMNRD

Subject:

RE: REQUEST FOR EXTENSION OF SWD-1610

Attachments:

Gnome East SWD #1 Sundry.pdf

Hi Phillip!

Attached is a copy of the BLM sundry notice correcting the legal location of the Gnome East SWD #1. Please let me know if you need anything further to process this extension.

Thanks a bunch! Melanie Wilson

From: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us>

Sent: Wednesday, January 10, 2018 9:32 AM To: Melanie Wilson <mjp1692@gmail.com>

Subject: RE: REQUEST FOR EXTENSION OF SWD-1610

Melanie:

Thanks for pursuing this issue. As stated previously, the extension is good, just want to avoid any future problems with the implementation of the order. Once you can confirm, I will have a letter/amended order to the acting Director. PRG

Phillip Goetze, PG

Engineering Bureau, Oil Conservation Division, NM EMNRD 1220 South St. Francis Drive, Santa Fe, NM 87505 Direct: 505.476.3466 E-mail: phillip.goetze@state.nm.us

From: Melanie Wilson [mailto:mjp1692@gmail.com]

Sent: Wednesday, January 10, 2018 9:25 AM

To: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us Subject: RE: REQUEST FOR EXTENSION OF SWD-1610

Hi Phillip,

We have been working with Duncan Whitlock at BLM. Apparently the location was moved with BLM's consent or maybe request prior to approval, but the change did not make the approved copy of the APD. The legal on the Order is correct. I am meeting with Duncan this afternoon to get the APD straightened out. Jim Rutley was involved so the potash issue was addressed. I will send verification as soon as I have it.

Thank you,

Melanie

From: Goetze, Phillip, EMNRD [mailto:Phillip.Goetze@state.nm.us]

Sent: Tuesday, January 9, 2018 9:46 AM

To: mjp1692@gmail.com

Cc: clay@mesquiteswd.net; McMillan, Michael, EMNRD < Michael.McMillan@state.nm.us>

Subject: RE: REQUEST FOR EXTENSION OF SWD-1610

RE: Gnome East SWD No. 1 (API 30-015-43801) SWD-1610

Melanie:

I have reviewed your request to extend order SWD-1610 and the Division will honor the request. However, this may be the opportunity to resolve the conflict of the surface location between the approved APD (1659 FSL, 268 FWL) and the current SWD order (220 FNL, 305 FWL). If you would submit a second correspondence requesting an amended order for the new surface location with the following findings:

- 1. Are the same AOR wells for both the original application location and the new location? If so, state this. Or if the re-location includes a new AOR well, please provide this information.
- 2. Does the shift in surface location change the affect persons those notified in the original application within the ½-mile radius? If there is a new operator, then they will have to be notified.

The original application by R360 (with AOR and notice) is located at: http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pMAM1536258742

With this request, the Division would provide an amended order with the extended end date. The location of the proposed well within the R-111-P/Secretary's Order makes the surface location in the federal APD the "real" location. It's doubtful that Mesquite would get another location approved. Please consider this opportunity and contact me with any questions. PRG

Phillip Goetze, PG

Engineering Bureau, Oil Conservation Division, NM EMNRD 1220 South St. Francis Drive, Santa Fe, NM 87505

Direct: 505.476.3466

E-mail: phillip.goetze@state.nm.us

From: mjp1692@gmail.com [mailto:mjp1692@gmail.com]

Sent: Thursday, January 4, 2018 12:09 PM

To: Goetze, Phillip, EMNRD < Phillip.Goetze@state.nm.us>

Cc: clay@mesquiteswd.net

Subject: REQUEST FOR EXTENSION OF SWD-1610

Hi Philips,

Attached is a letter requesting an extension on Mesquite SWD, Inc's Gnome East SWD #1, Order SWD-1610. Please let me know if you need anything further to process this request.

Thank you! Melanie Wilson 575-914-1461

Mjp1692@gmail.com

(June 2015)	UNITED STATES PARTMENT OF THE I UREAU OF LAND MANA	NTERIOR Carl	sbad	Fiel	d Office NO Expires: Ja	APPROVED D. 1004-0137 nuary 31, 2018	
SUNDRY	NOTICES AND REPO	IVIO OIL LIERED) Art	Expires: Ja Serial No. NMNM0531277	4	
Do not use the abandoned we	is form for proposals to II. Use form 3160-3 (AP	drill or to re-enter a D) for such proposa	n Is.		6. If Indian, Allottee or	Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.		
Type of Well					8. Well Name and No. GNOME EAST SWD 1		
Name of Operator Contact: MELANIE WILSON MESQUITE SWD INCORPORATED E-Mail: mjp1692@gmail.com					9. API Well No. 30-015-43801-00-X1		
3a. Address CARLSBAD, NM 88220	3b. Phone No. (include Ph: 575-914-1461	area code)	de) 10. Field and Pool or Exploratory Area UNKNOWN				
4. Location of Well (Footage, Sec., 7	R M or Survey Description)			11. County or Parish, State		
•	•	,					
Sec 35 T23S R30E NWNW 2:	20FNL 305FVVL				EDDY COUNTY	, NM	
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICATE NAT	TURE OF	NOTICE,	REPORT, OR OTH	ER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	☐ Acidize	Deepen		Product	ion (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing	Hydraulic Fr	acturing	Reclama	ation	□ Well Integrity	
Subsequent Report	Casing Repair	🗖 New Constru	ction	Recomp	lete	⊠ Other	
☐ Final Abandonment Notice	Change Plans	☐ Plug and Abandon ☐ Tempo		☐ Tempor	arily Abandon	Change to Original A PD	
	Convert to Injection	Plug Back		Water D	isposal	• •	
13. Describe Proposed or Completed Op If the proposal is to deepen direction. Attach the Bond under which the wo following completion of the involved testing has been completed. Final Aldetermined that the site is ready for foriginal APD was approved b Section 35, T23S, R30E 220 Approved copy of APD that w Section 26, T23S, R30E 1659. This sundry notice is to correct Section 35, T23S, R30E 220 FNL & 305 FWL Correct C-102 is attached.	ally or recomplete horizontally, rk will be performed or provide to operations. If the operation re pandonment Notices must be fil inal inspection. y BLM 05/16/2016 at the FNL & 305 FWL as submitted to OCD had 9 FSL & 268 FWL tt the legal location as subtited to submitted to	give subsurface locations the Bond No. on file with sults in a multiple complet ed only after all requirement following legal location incorrect legal location	and measure BLM/BIA. ion or recom nts, including	d and true ve Required sub pletion in a r g reclamation	rtical depths of all perting sequent reports must be used in the sequent reports as form 3160 in, have been completed as ARTES	ont markers and zones. Filled within 30 days of the most be filed once and the operator has one of the operator has one operato	
					REC	EIVER	
14. I hereby certify that the foregoing is Comr	Electronic Submission #	WD INCORPORATED,	sent to th	e Carlsbad	•		
Name (Printed/Typed) MELANIE	Title	REGULA'	TORY AN	ALYST			

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Date

TIPET

Conditions of approval, if any, are stacked. 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.

(Electronic Submission)

CFU Office

01/10/2018

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.

Signature

(Instructions on page 2)
** BLM REVISED **

RW 1-16-18

DISTRICT I 1625 N. French Dr., Bobbe, NM 88240 Phone (676) 363-6161 Page (676) 363-6780 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone (378) 748-1283 Fax (878) 748-9730

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

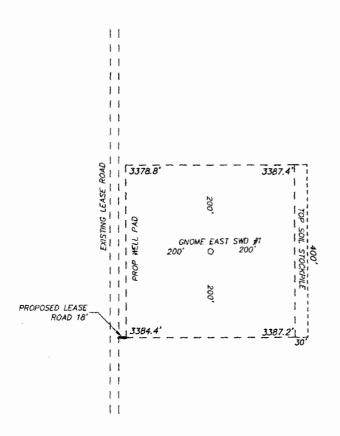
DISTRICT III 1000 Rto Brazos Rd., Astec. NM 87410 Phono (808) 284-6178 Page (808) 354-6170

DISTRICT IV 1223 5. St. Francis Dr., Santa Fe. NM 87503 Phone (606) 476-5460 Fax (606) 476-8462

OIL CONSERVATION DIVISION 1223 South St. Francis Dr. Santa Fe, New Mexico 87505

Fhone (606) 476-3460 P	NE (506) 476-8	idz.	WELL LO	CATION	AND ACR	EAGE DEDICAT	ON PLAT	IJ AM	iended	REPORT
30-015-	Number			Pool Code Pool Name						
Property (Code		-			Property Name Well Number				
3162S			GNOME EAST SWD 1							
16196			•			P360 Slevation 3384				
	Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	Line	County
D	35	23 S	30 E	<u> </u>	220	NORTH	305	WES	T	EDDY
				Hole Lo	cation If Dis	ferent From Su	face			
UL or lot No.	Section	Township	Range	Lot ldn	Peet from the	North/South line	Feet from the	East/EAS	LINE	County
Dedicated Acres	Joint o	r Infill Co	posolidation	Code Or	der No.					L
NO ALLO	WABLE W	OR A 1	ssigned '	TO THIS	COMPLETION IT HAS BEE	UNTIL ALL INTER N APPROVED BY	RESTS HAVE BE	EN CONS	BOLIDA	ATED
51 E V 41.34			N: 4618079 E: 6902051			N . 46182 E 6928s	OPERATO	R CERTI	FICAT	TON
OE NATES	· · · · · · · · · · · · · · · · · · ·		es can.	1	1	(NAC)	I hereby cer	tify that the	a suform	ation
	SURFACE LOCATION Lat - N 32-16'04.99" the best of my knowledge and belief, and that this organization either owner a working interest or while the organization either owner a working interest or while the latest organization of the control interest or the						and that			
	Long — W 103'51'33.51" Lond thetuding the proposed bottom hole					well at				
	! '	NMSPCE E 687851.0 (NAD-83) 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 heretafore entered by				interest				
				L	· · · · · · · · · · · · · · · · · · ·		tre division.	ng order her	etofore i	11
							Mua	nie	ilson	v 1/10/2
	}			<u>'</u>	i		Signature	- Wils	•••	Date
	•			}	ĺ		Printed Name	'		
	į				!		mip169;	20Gm	ail.	con
	1			1	j		Email Address			
	·			 	·		SURVEYO		-,	
	1				í	N 45018 E 69297 (NAD 80	on this mist such			
	!			1	1		actual surveys supervison and			
	í				}		correct to the		•	
	! }		i) !	1		Date SATTO	ER. 26	Sel	
	1				İ		Signature & Professional	W STO) /	\
re manufacture france i chia	+				+		-	ASSAS)	\ s	}}
	1		1		1		القال (XX		
	•				}		Certifica	- 10 Mak	3 //s	7977
	i		1		1		B-2	- Way 2	6	
14 14 16 - 13 11 11 11 11 11	}			N.: 456518,0 E : 690261.2	,	% 45653 F 56293	T.E SCA	1000'	1500'	2000'
MAC BOX				(NAC 63-		NAC 8		Num.: 320		

SECTION 35, TOWNSHIP 23 SOUTH, RANGE 30 EAST. N.M.P.M., NEW MEXICO. EDDY COUNTY,



R360 ENVIRONMENTAL SOLUTIONS GNOME EAST SWD #1 ELEV. - 3384' Lat - N 32'16'04.99" Long - W 103'51'33.51" NMSPCE - N 461574.5 E 687850.9 (NAD-83)

LOVING, NM IS ±13 MILES TO THE WEST OF LOCATION.

Directions to Location:

FROM THE INTERSECTION OF STATE HIGHWAY 128 & COUNTY ROAD 795 GO SOUTH ON COUNTY ROAD 795 0.5 MILES, CONTINUE SOUTH ON LEASE ROAD 3.9 MILES, THEN GO EAST 0.5 MILES THEN SOUTH 0.2 MILES TO PROPOSED LEASE ROAD TO LOCATION

SCALE: 1" = 200

200

400 FEET

r360 environmental solutions

GNOME EAST SWD #1 / WELL PAD TOPO REF:

> THE GNOME EAST SWD #1 LOCATED 220' FROM THE NORTH LINE AND 305' FROM THE WEST LINE OF SECTION 35, TOWNSHIP 23 SOUTH, RANGE 30 EAST.

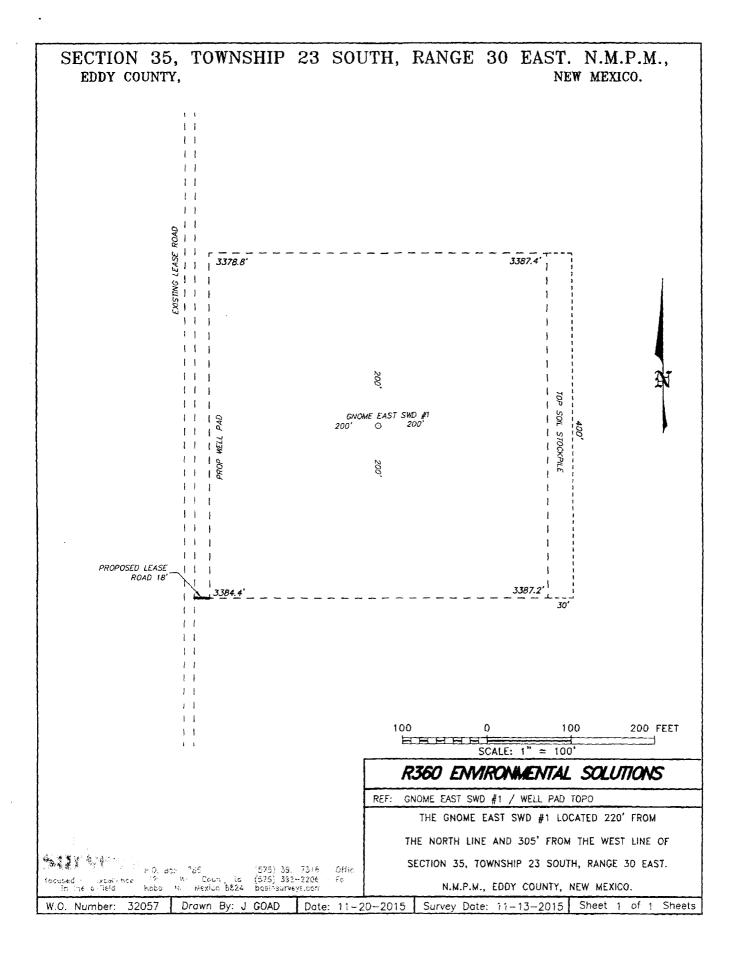
> > N.M.P.M., EDDY COUNTY, NEW MEXICO.

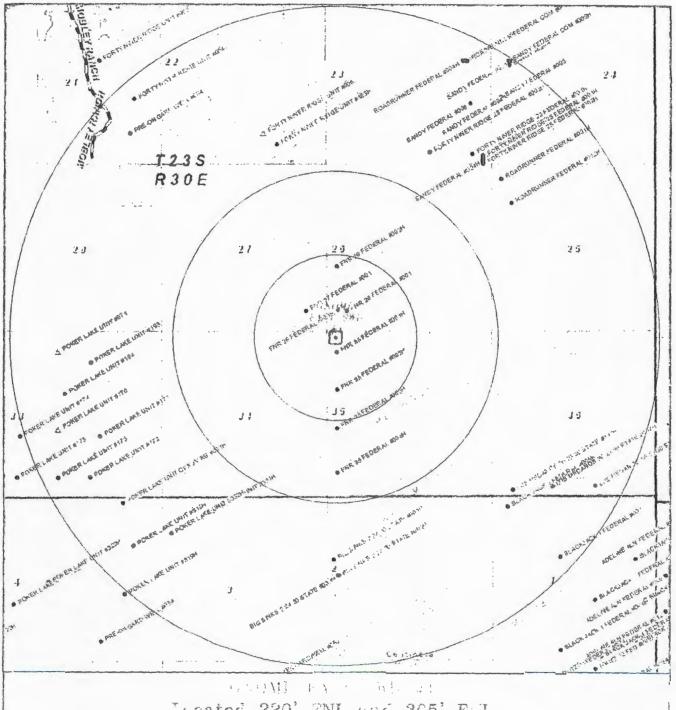
.0. Box 1786 120 - West ((575, 393-7316 (575) 392-2206 Basinsurveys.com West Cour , Rd. New in xico 8824 facused on examinates in the Alfield 120 h iobs

Date: 11-20-2015 | Survey Date: 11-13-2015 | Sheet 1 of 1 Sheets W.O. Number: 32057 Drawn By: J GOAD

Offic.

200



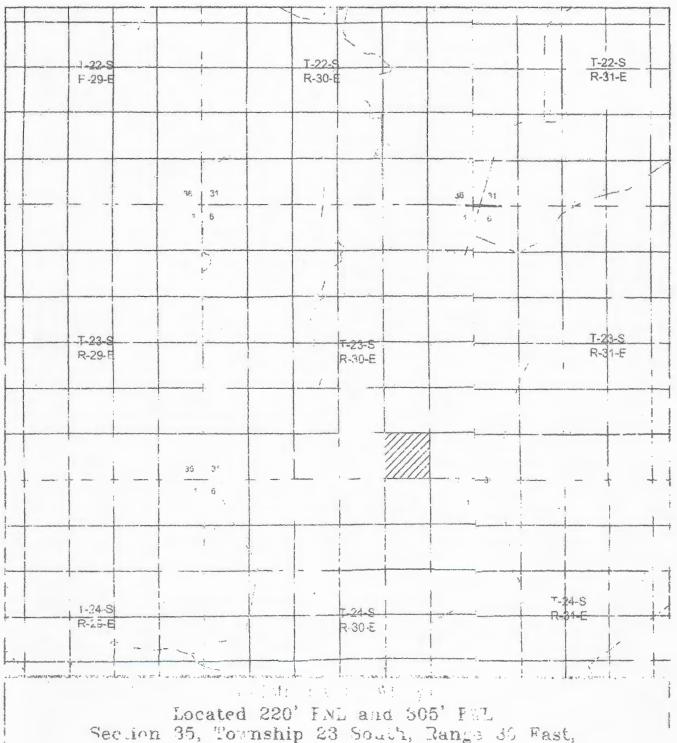


Located 220' FNL and 305' FVI Section 35, Township 23 South, Range 30 East, v M.P.M., Eddy County, New Mexico

distance expension of the			America Association	
		P.O	GX 1788	
11.	2 lookly	- 20	N. West	ounty Rd.
	2 3 W. W. C.	Hobbs	New Me	cico 88241
1117	VAVA	(57!.,	39: -7316	Office
	₹	575.	392-2208	- Fox
	61.4:140	20 '	Y643 COL	m

	0' 1000' 2000' 3000' 4000'	2
nty Rd.	SCALE = 2000'	
	W.P. sumber UG 32057	4
Office	Survey Jate 1 13-20 F	
- £0x	YELLOW THIT USA LAND	
	BLC. THAT - STATE HO HATURA COL ? FIF LAND	
and suit discount of the con-	The Street Squares A. St. Thomas Squares . Commissioned Arms . And appropriate Squares and	

R360 ENVIRONMENTAL SOLUTIONS



Section 35, Township 23 South, Range 35 Fast, N.I.P.M., Eddy Coam y, 16 Mexico

	-	· mas and a district
,		P U. Box 786
		20 N. West County Rd.
MATTER		Hobbs. New Mexico 8824
	132	(575) 393-7316 - Office
		(571) 392 2206 Fax
for used on excellent	ŧ	שמ: קיורעפ יב.כסח

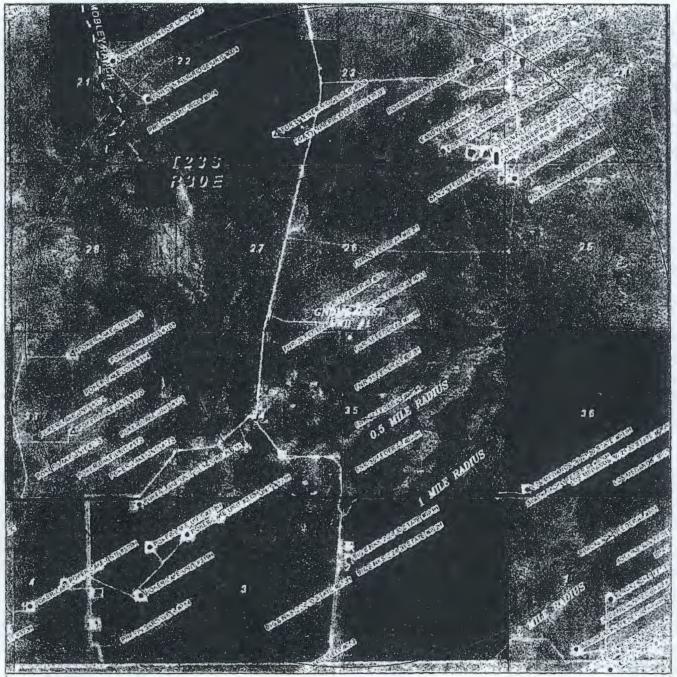
SCALE 1 = 2 HUES

W.O. Number 1G 12057

Survey Late: 1 3-20 5

YELLOW TIN USA AND

PLUE INT A U
HA UNA COLCE 1 A ID



GNOME I VI Ab #1

Located 220' FNL and 305' FWL Section 35, Township 23 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

focused on excellence in the giffield

PO Box 1786 20 N West County Rd. Hobbs New Mexico 8824 1575, 593-73 6 - Office (47) 392 2206 Cax pasinsur reys.com

SCALE: = 2006'

SCALE: = 2006'

W O NUMBER 1 13 2015

YELLOW TINT - USA AND
BLUE TINT - TATE LAND
MATURAL COLOR - FEE LAND

R360 ENVIRONMENTAL SOLUTIONS