

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary Designate

Gabriel Wade, Acting Director
Oil Conservation Division



January 22, 2019

Mesquite SWD, Inc.
P. O. Box 1479
Carlsbad, NM 88220
C/O Mr. David Catanach, Agent for Mesquite SWD, Inc.

RE: Administrative Order SWD-1602; Second Extension of Deadline to Commence Injection

Uber East SWD Well No. 1 (API 30-015-43806)
Unit I, Sec 24, T23S, R31E, NMPM, Eddy County, New Mexico
Order Date: December 1, 2015
First extension to commence injection issued November 10, 2018.
Injection into Devonian formation; permitted interval: 16390 feet to 17500 feet

Dear Mr. Catanach:

Reference is made to your request on behalf of Mesquite SWD, Inc. (the "operator") to extend the deadline stipulated in order SWD-1602 based upon the approval date of December 1, 2015, to commence injection for the above referenced well for an additional one year for reasons outlined in the attached correspondence. Previously, the order was approved for a one-year extension to a new deadline of December 1, 2018.

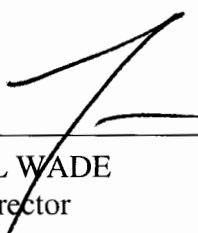
This recent request for the additional extension was received by the Division on January 22, 2019, following the expiration date of the first extension. However, the operator had spud and completed the reference well, as stated in the first extension request, and was preparing to commence injection as the first extension lapsed.

It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership.

Having considered the operator's petition, the Division finds that granting the extension of this administrative order to ensure the continuity of the authority to inject is in the interest of conservation, will prevent waste, and will protect the environment.

The deadline to commence injection for the existing order is hereby extended until December 1, 2019. All requirements of the above referenced administrative order and agreements in the application remain in full force and effect.

Sincerely,



GABRIEL WADE
Acting Director

GW/prg

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office
Well file 30-015-43806
SWD-1602

January 22, 2019

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Gabriel Wade
Acting Division Director

Re: Request for Extension of Order SWD-1602
Uber East SWD No. 1:
API No. (30-015-43806)
2345' FSL & 660' FEL, Unit I
Section 24, T-23S, R-31E, NMPM,
Eddy County, New Mexico

Dear Mr. Wade,

By Order SWD-1602 dated December 1, 2015 R360 Permian Basin, LLC was authorized to utilize the Uber East SWD No. 1 as a produced water disposal well in the Devonian formation through the open-hole interval from approximately 16,390 feet to 17,500 feet. This order was to expire on December 1, 2017 unless injection into the well had commenced by that date.

On November 10, 2017 Mesquite SWD, Inc. ("Mesquite"), the successor operator of the Uber East SWD No. 1 was granted an extension of Order SWD-1602 until December 1, 2018.

Please be advised that Mesquite has drilled and completed the Uber East SWD No. 1 however, due to unanticipated drilling issues that caused delays, Mesquite did not commence injection into this well until January 18, 2019. It was Mesquite's belief that even with the delays, they would be able to meet the required deadline of December 1, 2018 however, that turned out not to be the case.

In accordance with the directive from the Division via E-mail dated January 18, 2019 (copy attached) and for the reasons described above, Mesquite formally requests that Order No. SWD-1602 be extended to January 22, 2019.

I have examined the Area of Review ("AOR") and have found that no additional wells have been drilled, nor ownership or operator changes have occurred within the AOR since the original permit was issued on December 1, 2015.

Please let me know if additional information is required to approve this request.

Mesquite SWD, Inc.
Request to Extend Order SWD-1602
January 22, 2019

Regards,

A handwritten signature in black ink, appearing to read "David Catanach", with a long horizontal flourish extending to the right.

David Catanach
Agent for Mesquite SWD, Inc.
P.O. Box 1479
Carlsbad, New Mexico 88221-1479

xc via E-Mail: OCD-Artesia

From: Goetze, Phillip, EMNRD
Sent: Friday, January 18, 2019 11:50 AM
To: David Catanach
Cc: McMillan, Michael, EMNRD; mjp1692@gmail.com; Klein, Raneli, EMNRD
Subject: RE: [EXT] Uber East SWD No. 1

Good Morning Mr. Catanach:

I have presented Mesquite's situation regarding the Uber East SWD No. 1 to the Director. The Director concurs with the recommendation, for this particular situation, not to require the submittal of a new application due to the lapse in extension dates and continue the injection authority based on Mesquite's commitment to bring this well online. Division is requesting that Mesquite provide, as soon as possible, a correspondence describing the situation included in this e-mail (along with the usual statement regarding any change in affect parties and AOR wells) and the Division will provide an extension maintaining the injection authority as originally approved in SWD-1602.

If you have any questions, please contact me at your convenience. 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: David Catanach <catanach_david@comcast.net>
Sent: Friday, January 18, 2019 7:58 AM
To: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>
Cc: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; mjp1692@gmail.com
Subject: [EXT] Uber East SWD No. 1

Good Morning Mr. Goetze:

By Order SWD-1602 dated December 15, 2015, Mesquite SWD, Inc. (successor operator), was authorized to utilize its Uber East SWD No. 1 (30-015-43806) located 2345' FSL & 660' FEL (I) of Section 24-23S-31E as a Devonian produced water disposal well.

By letter from the Division dated November 10, 2017 (attached), the Division granted an extension until December 1, 2018 to commence injection into this well.

Please be advised that due to unanticipated drilling issues that caused delays, **Mesquite did not commence injection into this well until today (January 18th)**. It was Mesquite's belief that even with the delays, they would be able to meet the required deadline, however, that turned out not to be the case.

Please let me know if an additional extension request of Order SWD-1602 is necessary.

Thanks,

David Catanach
Agent for Mesquite SWD, Inc.

Sent from Mail for Windows 10

Goetze, Phillip, EMNRD

From: David Catanach <catanach_david@comcast.net>
Sent: Tuesday, January 22, 2019 9:34 AM
To: Goetze, Phillip, EMNRD
Cc: McMillan, Michael, EMNRD; mjp1692@gmail.com; Klein, Ranell, EMNRD
Subject: RE: [EXT] Uber East SWD No. 1
Attachments: Uber East Extension Letter.pdf

Good Moring Mr. Goetze,

As per your request, attached is a formal request from Mesquite SWD, Inc., to extend Order SWD-1602.

If you need anything else, please advise.

Thank you for your assistance in this matter.

David Catanach
Agent for Mesquite SWD, Inc.
(505) 690-9453

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