

# Initial Application Part I

Received: 3/18/2019

*This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete*

RECEIVED: 3/18/2019	REVIEWER:	TYPE: SWD	APP NO: PMAM19077 55670
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION  
- Geological & Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505**



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Mesquite SWD, Inc. OGRID Number: 161968  
 Well Name: Salado Draw SWD 13 No. 1 API: 30-025-42354  
 Pool: SWD; Devonian Pool Code: N/A

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

MAR 18 2019 PM 02:38

**1) TYPE OF APPLICATION: Check those which apply for [A]**

**A. Location – Spacing Unit – Simultaneous Dedication**

NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD

**B. Check one only for [ I ] or [ II ]**

**[ I ] Commingling – Storage – Measurement**

DHC     CTB     PLC     PC     OLS     OLM

**[ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery**

WFX     PMX     SWD     IPI     EOR     PPR

**2) NOTIFICATION REQUIRED TO: Check those which apply.**

- A.  Offset operators or lease holders
- B.  Royalty, overriding royalty owners, revenue owners
- C.  Application requires published notice
- D.  Notification and/or concurrent approval by SLO
- E.  Notification and/or concurrent approval by BLM
- F.  Surface owner
- G.  For all of the above, proof of notification or publication is attached, and/or,
- H.  No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

**3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.**

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

David Catanach  
 \_\_\_\_\_  
 Print or Type Name

*David Catanach*  
 \_\_\_\_\_  
 Signature

3/13/19  
 \_\_\_\_\_  
 Date

(505) 690-9453  
 \_\_\_\_\_  
 Phone Number

catanach\_david@comcast.net  
 \_\_\_\_\_  
 e-mail Address

March 13, 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: Application to Amend Order SWD-1488-A  
Salado Draw SWD 13 Well No. 1  
API No. (30-025-42354)  
Surface Location: 292' FSL & 10' FWL, Unit M of Section 13 (**Re-surveyed**)  
Bottom Hole Location: 334' FSL & 38' FEL, Unit P of Section 14  
Both in Township 26 South, Range 32 East, NMPM,  
Lea County, New Mexico

Dear Mr. Wade,

By Order SWD-1488 dated June 13, 2014 Chevron USA, Inc. ("Chevron") was authorized to utilize its Salado Draw SWD 13 No. 1, located 292 feet from the South line and 10 feet from the West line (Unit M) of Section 13, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, as a produced water disposal well, injection to occur into the Devonian and Silurian formations through the open-hole interval from approximately 17,410 feet to 18,200 feet through 4 ½" tubing set in a packer within 100 feet of the permitted injection interval. Pursuant to Order SWD-1488, the permit would expire on June 13, 2016 unless the operator has commenced injection into the well.

By Order SWD-1488-A dated June 22, 2017 Chevron obtained an amendment to Order SWD-1488 to authorize:

1. Extension of the deadline to commence injection into the Salado Draw SWD 13 No. 1 until June 22, 2019; and
2. Expansion of the injection interval in the Devonian and Silurian formations to include depths from 17,729 feet to 19,300 feet. The expansion of the injection interval was necessitated by low permeability within the originally permitted interval.

Division records indicate that Chevron commenced operations to deepen the subject well on or about November 26, 2016. Due to mechanical issues encountered while deepening, Chevron elected to plug back the well to a depth of 13,430 feet by setting cement plugs at 18,085'-18,261', 16,865'-17,192', 15,005'-15,505', 14,294'-14,730' and 13,430'-14004'. The well was then pressure tested and temporarily abandoned as of February 9, 2017.

**Mesquite SWD, Inc.**  
**Application to Amend SWD-1488-A**  
**Salado Draw SWD 13 No. 1**  
**March 13, 2019**

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Mesquite SWD, Inc., ("Mesquite") assumed operatorship of the well from Chevron on or about November 15, 2017.

Mesquite conducted a mechanical integrity pressure test on the subject well on March 28, 2018 and requested that BLM approve temporary abandonment status for one year. BLM subsequently granted temporary abandonment status until August 17, 2018.

On March 13, 2018 Mesquite filed a Form 3160-5 with the BLM requesting authorization to enter the TA'd wellbore, set cement plug and whipstock, sidetrack at approximately 11,530 feet with 8 ½" bit, drill to approximately 17,820 feet and run a 7 5/8" liner. Mesquite further requested authorization to drill a 6 ½" open-hole to 19,300 feet. BLM approved the drilling plan on April 4, 2018. The OCD Hobbs office received a copy of the sundry notice on April 6, 2018.

On December 27, 2018 Mesquite commenced entry operations on the Salado Draw SWD 13 No. 1. Sidetrack and completion operations were completed on February 24, 2019.

Mesquite respectfully requests that Order SWD-1488-A be amended by:

1. Reflecting that Mesquite is the current operator of the Salado Draw SWD 13 No. 1;
2. Granting authorization for the sidetrack and subsequent drilling operations conducted on the well;
3. Granting authorization for a change in the casing and tubing configuration to allow for the setting of a 7 5/8" liner, and the use of 7" and 5 ½" tubing in the well;
4. Expanding the injection interval in the Devonian and Silurian formations to 17,876 feet to 19,460 feet; and
5. Granting authorization to inject into the subject well at a bottom hole location 334 feet from the South line and 38 feet from the East line (Unit P) of Section 14, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico.

In support of this request, Mesquite hereby submits the following documentation and supporting data:

1. Administrative Application Checklist;
2. Form C-108;
3. Form C-102 showing surface and bottom hole well locations;
4. Copy of Order SWD 1488-A;
5. Wellbore schematic diagram;
6. Any changes to the operation of this well as a result of the operator change;
7. Salado Draw SWD 13 No. 1 Direction Survey dated February 18, 2019;
8. 1-Mile Area of Review ("AOR") Map;
9. List of all existing, proposed and PA'd AOR wells;
10. Affirmative Statement;
11. Source Water Analysis;

**Mesquite SWD, Inc.**  
**Application to Amend SWD-1488-A**  
**Salado Draw SWD 13 No. 1**  
**March 13, 2019**

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12. State Engineer fresh water well data
13. Proof of Notice and Proof of Publication;
14. BLM Form 3160-5 dated March 13, 2018;
15. BLM Form 3160-5 dated March 30, 2018;
16. OCD Form C-145 dated November 15, 2017; and
17. BLM Form 3160-5 dated March 2, 2019

I believe that all the information necessary to approve the requested amendment is enclosed. If additional information is needed, please contact me at (505) 690-9453.

Sincerely,



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

Xc: OCD-Hobbs

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance  Disposal Storage  
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Mesquite SWD, Inc.  
ADDRESS: P.O. Box 1479, Carlsbad, New Mexico 88221-1479  
CONTACT PARTY: David Catanach-Agent PHONE: 505-690-9453
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes  No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: David Catanach TITLE: Agent  
SIGNATURE: David Catanach DATE: 03/13/2019  
E-MAIL ADDRESS: \_\_\_\_\_
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

**III. WELL DATA**

**A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:**

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.**
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.**
- (3) A description of the tubing to be used including its size, lining material, and setting depth.**
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.**

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

**B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.**

- (1) The name of the injection formation and, if applicable, the field or pool name.**
- (2) The injection interval and whether it is perforated or open-hole.**
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.**
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.**
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.**

**XIV. PROOF OF NOTICE**

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;**
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;**
- (3) The formation name and depth with expected maximum injection rates and pressures; and,**
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.**

**NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.**

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**NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.**

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>SALADO DRAW SWD 13</b>	
OGRID No.	Operator Name <b>MESQUITE SWD</b>	
		Well Number <b>1</b>
		Elevation <b>3169.6'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	13	26-S	32-E		292	SOUTH	10	WEST	LEA

**Bottom Hole Location If Different From Surface**

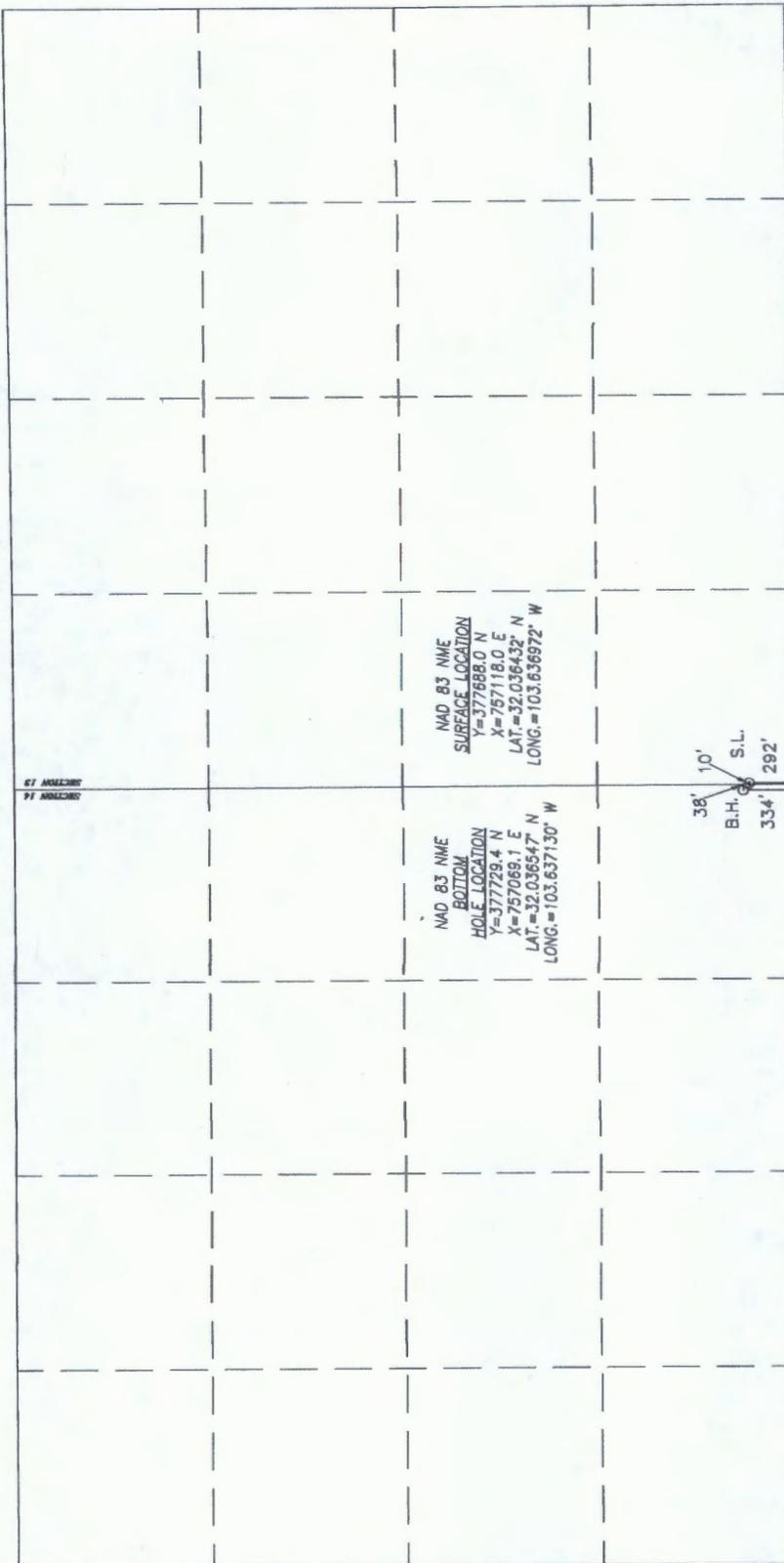
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	26-S	32-E		334	SOUTH	38	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

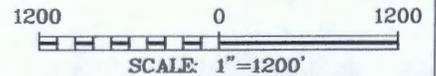
**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

SEE PAGE 2

Property Code	Property Name <b>SALADO DRAW SWD 13</b>	Well Number <b>1</b>
OGRID No.	Operator Name <b>MESQUITE SWD</b>	Elevation <b>3169.6'</b>



SURFACE LOCATION, BOREPATH, AND BOTTOM HOLE SHOWN HEREON ARE BASED ON DIRECTIONAL SURVEY REPORT PROVIDED BY MESQUITE SWD FOR THE SALADO DRAW SWD 13 #1 SUPPLIED TO HARCROW SURVEYING, LLC ON MARCH 7, 2019



**OPERATOR CERTIFICATION**

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOV. 22, 2013/FEB. 18, 2019

Date of Survey/Date of Geographic Survey

Signature & Seal of Professional Surveyor



*Chad Harcrow* 3/11/19  
Certificate No. CHAD HARCROW 17777

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



Administrative Order SWD-1488-A  
June 22, 2017

**ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Chevron USA, Incorporated (the "operator") seeks an administrative order to utilize its proposed Salado Draw SWD 13 Well No. 1 with a location of 290 feet from the South line and 10 feet from the West line, Unit letter M of Section 13, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

The operator petitioned the Division to extend the deadline to commence injection under Administrative Order SWD-1488. The Division reviewed the well file along with the drilling history provided by the operator and found that the well was not able to commence injection by the stipulated deadline due to complex downhole problems that extended for several months. The operator also stated that an evaluation of the upper portion of the permitted interval indicated very low permeability and the Division delayed the issuance of an amended order until the operator had completed deepening of the open-hole interval. The current request for an extension of the deadline was to provide the opportunity to re-enter the well and complete the final deepening of the borehole into the Fusselman formation.

Additionally, this Order provides for corrected depths of the permitted injection interval, the Devonian and Silurian formations, following the submittal of data as requested in the original order. This amended Order approves the minor modifications for the extension of the deadline to commence injection and the corrected depths of the permitted interval. This Order supersedes Administrative Order SWD-1488 issued June 13, 2014.

**THE DIVISION DIRECTOR FINDS THAT**

The application has been duly filed under the provisions of Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

**IT IS THEREFORE ORDERED THAT**

The applicant, Chevron USA, Incorporated (OGRID 4323), is hereby authorized to utilize its Salado Draw SWD 13 Well No. 1 (API 30-025-42354) with a location of 290 feet from the

South line and 10 feet from the West line, Unit letter M of Section 13, Township 26 South, Range 32 East, NMPM, Lea County, for disposal of oil field produced water (UIC Class II only) through open hole into the Devonian and Silurian formations from 17729 feet to 19300 feet. Injection will occur through internally-coated, 4½-inch or smaller tubing and a packer set within 100 feet of the permitted interval

**IT IS FURTHER ORDERED THAT**

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application, and as modified by the requirements of the Bureau of Land Management

*The operator shall supply the Division and the Bureau of Land Management, Carlsbad office with a copy of a mudlog over any new drilled portion of the permitted disposal interval not previously submitted in the mudlog dated August 2015. If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District I office and the operator shall be required to receive written permission prior to commencing disposal*

*The operator shall also provide a summary of depths (picks) for formation tops in the injection interval to the Division's District I office prior to commencing disposal.*

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15 26 11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well

The maximum surface injection pressure on the well shall be limited to **no more than 3575 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal

to the Division's District office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19 15 26 13 and 19 15 7 24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19 15.29 and 19 15 30 NMAC, or otherwise, the operator shall immediately notify the Division's District I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19 15 5 9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



DAVID R. CATANACH  
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office  
Bureau of Land Management – Carlsbad Field Office  
Well file 30-025-42354

Mesquite SWD, Inc.

Salado Draw SWD 13 No. 1: Current Wellbore Schematic  
Surface Location: 292' FSL & 10' FWL (Unit M-13-26S-32E)  
BHL: 334' FSL & 38' FEL (Unit P-14-26S-32E)

Mesquite re-entered the Salado Draw 13 SWD No. 1 and conducted re-completion work from 12/27/18-2/24/19

### Re-Entry Operations

TIH to 11,765' and set 100 sx. cement plug. Tagged @ 11,494'. Drilled cement to 11,525'. TIH w/ whipstock. Mill window in casing from 11,507'-11,525' and sidetrack.

TD 8 1/2" Hole @ 17,876'

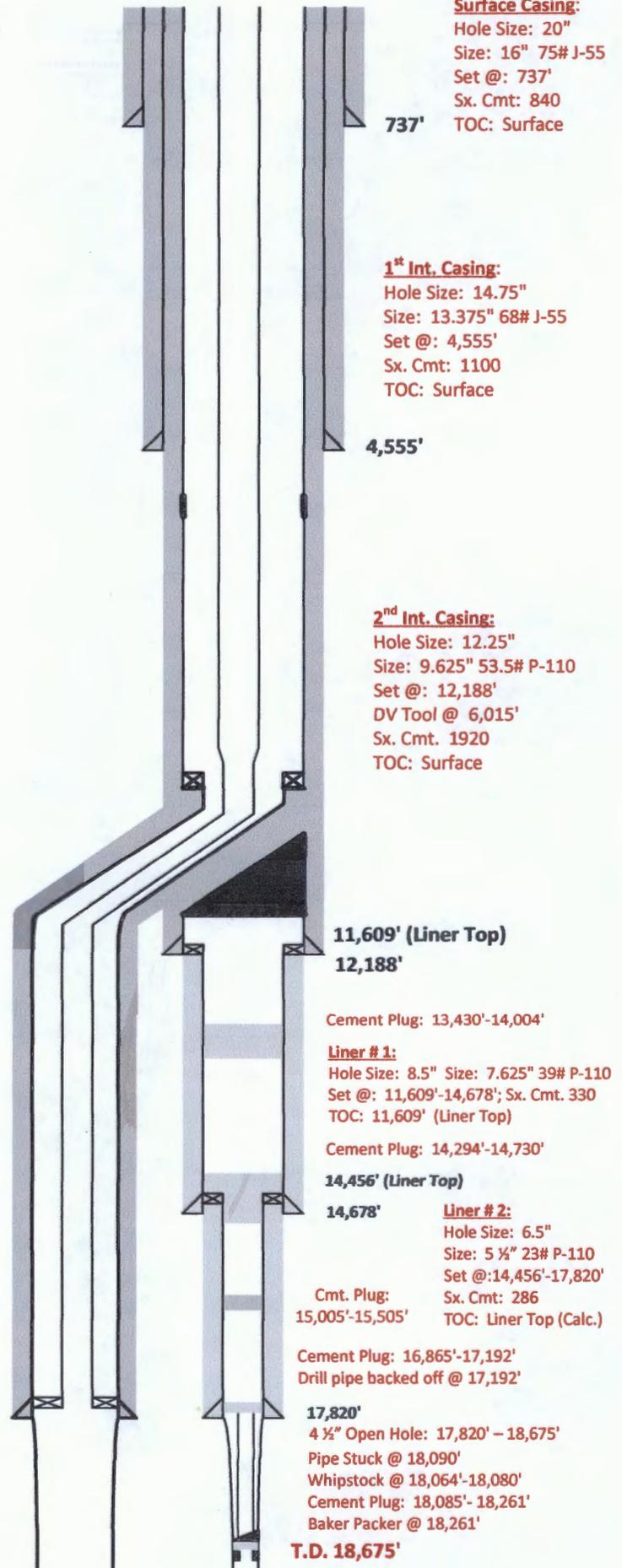
Ran 7 5/8" 39# P-110 Liner from 11,166'-17,876' and cemented w/555 Sx. Circulated 99 sx. to TOL.

TD 6 1/2" Hole @ 19,460'

Ran 5 1/2" 20# P-110 tubing from 11,036'-17,849' and 7" 26# P-110 tubing from surface to 11,036'. Set Packer @ 17,855'

Open Hole Injection Interval  
Interval: 17,876'-19,460'

T.D. 19,460'



Amended Form C-108 Application  
Mesquite SWD, Inc.  
Salado Draw SWD 13 No. 1  
Surface Location: 292' FSL & 10' FWL (Unit M of Section 13)  
**Bottom Hole Location: 334' FSL & 38' FEL (Unit P of Section 14)**  
Both in Township 26 South, Range 32 East, NMPM,  
Lea County, New Mexico

**Operational Changes to the Original C-108**

1. Operator: Mesquite SWD, Inc.  
P.O. Box 1479  
Carlsbad, New Mexico 88221-1479  
Contact Parties: Melanie Wilson (575) 914-1461  
David Catanach (505) 690-9453
2. Revised 1-Mile Area of Review ("AOR") Map and AOR well listing is attached. None of the 25 proposed, existing or plugged and abandoned wells penetrate the proposed injection interval.
3. The average injection rate is anticipated to be approximately 30,000 BWPD. The maximum rate will be approximately 40,000 BWPD. If the average or maximum rates increase in the future, the Division will be notified.
4. Initial injection pressure will be 3,575 psi, in conformance with the Division's limit of 0.2 psi/ft.
5. Produced water from the Bone Spring, Wolfcamp, Delaware and other producing formations originating from wells in this area will be injected into the subject well. Produced water analysis from various producing wells in Township 26 South, Range 31 East, that produce from the Delaware, Bone Spring and Wolfcamp is attached. These produced water analyses were obtained from the GO Tech website.
6. An examination of Division records indicate that the Siluro-Devonian formation is not productive within one mile of the Salado Draw SWD 13 No. 1.
7. Geologic Formation: Devonian/Silurian  
Estimated Top: 17,875'  
Thickness: 1,585'  
Lithology: Limestone w/Interbedded Dolomites
8. According to data obtained from the New Mexico State Engineer, there are no fresh water wells located within one-mile of the Salado Draw SWD 13 No. 1.

# **Mesquite SWD**

**Lea County, NM (NAD 83)**

**Sec 13-T26S-R32E**

**Salado Draw SWD #13-1**

**Wellbore #1**

**Survey: Survey #2**

## **Standard Survey Report**

**18 February, 2019**

## Survey Report

<b>Company:</b>	Mesquite SWD	<b>Local Co-ordinate Reference:</b>	Site Sec 13-T26S-R32E
<b>Project:</b>	Lea County, NM (NAD 83)	<b>TVD Reference:</b>	KB=28 @ 3199.00usft
<b>Site:</b>	Sec 13-T26S-R32E	<b>MD Reference:</b>	KB=28 @ 3199.00usft
<b>Well:</b>	Salado Draw SWD #13-1	<b>North Reference:</b>	Grid
<b>Wellbore:</b>	Wellbore #1	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Wellbore #1	<b>Database:</b>	EDM 5000.1

<b>Project</b>	Lea County, NM (NAD 83)		
<b>Map System:</b>	US State Plane 1983	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	North American Datum 1983		
<b>Map Zone:</b>	New Mexico Eastern Zone		

<b>Site</b>	Sec 13-T26S-R32E				
<b>Site Position:</b>		<b>Northing:</b>	377,688.00 usft	<b>Latitude:</b>	32.03643
<b>From:</b>	Lat/Long	<b>Easting:</b>	757,118.00 usft	<b>Longitude:</b>	-103.63698
<b>Position Uncertainty:</b>	0.00 usft	<b>Slot Radius:</b>	13-3/16 "	<b>Grid Convergence:</b>	0.37 °

<b>Well</b>	Salado Draw SWD #13-1, MS					
<b>Well Position</b>	<b>+N-S</b>	0.00 usft	<b>Northing:</b>	377,688.00 usft	<b>Latitude:</b>	32.03643
	<b>+E-W</b>	0.00 usft	<b>Easting:</b>	757,118.00 usft	<b>Longitude:</b>	-103.63698
<b>Position Uncertainty</b>		0.00 usft	<b>Wellhead Elevation:</b>	0.00 usft	<b>Ground Level:</b>	3,171.00 usft

<b>Wellbore</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	HDGM	2/28/2018	6.80	59.70	47,829

<b>Design</b>	Wellbore #1				
<b>Audit Notes:</b>					
<b>Version:</b>	1.0	<b>Phase:</b>	ACTUAL	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD) (usft)</b>	<b>+N-S (usft)</b>	<b>+E-W (usft)</b>	<b>Direction (°)</b>	
	0.00	0.00	0.00	0.00	

<b>Survey Program</b>	<b>Date</b>	2/18/2019			
<b>From (usft)</b>	<b>To (usft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Description</b>	
100.00	11,433.46	Survey #1 (Wellbore #1)	NS-GYRO-MS	North sensing gyrocompassing m/s	
11,623.00	17,888.00	Survey #2 (Wellbore #1)	MWD	MWD - Standard	

<b>Survey</b>										
<b>Measured Depth (usft)</b>	<b>Inclination (°)</b>	<b>Azimuth (°)</b>	<b>Vertical Depth (usft)</b>	<b>+N-S (usft)</b>	<b>+E-W (usft)</b>	<b>Vertical Section (usft)</b>	<b>Dogleg Rate (°/100usft)</b>	<b>Build Rate (°/100usft)</b>	<b>Turn Rate (°/100usft)</b>	
11,433.46	1.74	246.21	11,432.40	-15.23	-34.13	-15.23	0.00	0.00	0.00	
<b>Salado Draw SWD #13-1</b>										
11,623.00	5.71	356.87	11,621.63	-6.96	-37.28	-6.96	3.44	2.09	58.38	
<b>1st MWD Survey</b>										
11,778.00	5.05	4.78	11,775.95	7.53	-37.14	7.53	0.64	-0.43	5.10	
11,872.00	3.87	18.49	11,869.67	14.67	-35.78	14.67	1.68	-1.26	14.59	
11,965.00	2.59	2.67	11,962.52	19.74	-34.69	19.74	1.66	-1.38	-17.01	
12,058.00	2.33	40.02	12,055.44	23.29	-33.38	23.29	1.71	-0.28	40.16	
12,153.00	2.24	37.65	12,150.36	26.24	-31.00	26.24	0.14	-0.09	-2.49	

### Survey Report

<b>Company:</b>	Mesquite SWD	<b>Local Co-ordinate Reference:</b>	Site Sec 13-T26S-R32E
<b>Project:</b>	Lea County, NM (NAD 83)	<b>TVD Reference:</b>	KB=28 @ 3199.00usft
<b>Site:</b>	Sec 13-T26S-R32E	<b>MD Reference:</b>	KB=28 @ 3199.00usft
<b>Well:</b>	Salado Draw SWD #13-1	<b>North Reference:</b>	Grid
<b>Wellbore:</b>	Wellbore #1	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Design:</b>	Wellbore #1	<b>Database:</b>	EDM 5000.1

Survey										
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)	
12,247.00	2.24	41.60	12,244.29	29.07	-28.66	29.07	0.16	0.00	4.20	
12,342.00	1.85	37.74	12,339.23	31.67	-26.49	31.67	0.44	-0.41	-4.06	
12,436.00	1.36	31.85	12,433.19	33.81	-24.97	33.81	0.55	-0.52	-6.27	
12,532.00	1.01	37.03	12,529.17	35.46	-23.86	35.46	0.38	-0.36	5.40	
12,628.00	1.10	35.10	12,625.16	36.89	-22.82	36.89	0.10	0.09	-2.01	
12,723.00	0.79	19.63	12,720.14	38.25	-22.08	38.25	0.42	-0.33	-16.28	
12,818.00	0.57	28.68	12,815.14	39.28	-21.63	39.28	0.26	-0.23	9.53	
12,912.00	0.48	0.38	12,909.13	40.08	-21.40	40.08	0.29	-0.10	-30.11	
13,006.00	0.48	3.46	13,003.13	40.87	-21.38	40.87	0.03	0.00	3.28	
13,194.00	0.22	352.96	13,191.13	42.02	-21.37	42.02	0.14	-0.14	-5.59	
13,289.00	0.31	325.49	13,286.13	42.41	-21.54	42.41	0.16	0.09	-28.92	
13,384.00	0.26	291.57	13,381.12	42.70	-21.89	42.70	0.18	-0.05	-35.71	
13,481.00	0.18	289.37	13,478.12	42.83	-22.24	42.83	0.08	-0.08	-2.27	
13,576.00	0.22	289.00	13,573.12	42.94	-22.55	42.94	0.04	0.04	-0.39	
13,671.00	0.18	266.43	13,668.12	42.99	-22.87	42.99	0.09	-0.04	-23.76	
13,830.00	0.04	326.72	13,827.12	43.02	-23.15	43.02	0.10	-0.09	37.92	
14,019.00	0.09	273.55	14,016.12	43.09	-23.33	43.09	0.04	0.03	-28.13	
14,145.00	0.40	225.91	14,142.12	42.79	-23.75	42.79	0.27	0.25	-37.81	
14,241.00	0.35	217.65	14,238.12	42.32	-24.17	42.32	0.08	-0.05	-8.60	
14,335.00	0.18	276.89	14,332.12	42.11	-24.49	42.11	0.32	-0.18	63.02	
14,428.00	0.13	235.05	14,425.12	42.07	-24.72	42.07	0.13	-0.05	-44.99	
14,523.00	0.48	259.13	14,520.12	41.93	-25.20	41.93	0.38	0.37	25.35	
14,619.00	0.40	273.12	14,616.11	41.87	-25.93	41.87	0.14	-0.08	14.57	
14,712.00	0.44	226.70	14,709.11	41.65	-26.51	41.65	0.36	0.04	-49.91	
14,806.00	0.35	235.05	14,803.11	41.23	-27.01	41.23	0.11	-0.10	8.88	
14,898.00	0.22	254.48	14,895.11	41.03	-27.41	41.03	0.17	-0.14	21.12	
14,992.00	0.31	217.30	14,989.11	40.78	-27.74	40.78	0.20	0.10	-39.55	
15,086.00	0.22	208.86	15,083.11	40.41	-27.98	40.41	0.10	-0.10	-8.98	
15,179.00	0.40	216.33	15,176.10	40.00	-28.26	40.00	0.20	0.19	8.03	
15,271.00	0.40	216.33	15,268.10	39.48	-28.64	39.48	0.00	0.00	0.00	
15,366.00	0.31	213.52	15,363.10	39.00	-28.98	39.00	0.10	-0.09	-2.96	
15,434.00	0.40	232.30	15,431.10	38.70	-29.27	38.70	0.21	0.13	27.62	
15,554.00	0.26	280.40	15,551.10	38.49	-29.87	38.49	0.25	-0.12	40.08	
15,650.00	0.44	253.24	15,647.10	38.43	-30.44	38.43	0.25	0.19	-28.29	
15,743.00	0.35	266.52	15,740.09	38.31	-31.06	38.31	0.14	-0.10	14.28	
15,838.00	0.35	247.18	15,835.09	38.18	-31.62	38.18	0.12	0.00	-20.36	
15,930.00	0.35	259.13	15,927.09	38.01	-32.15	38.01	0.08	0.00	12.99	
16,023.00	0.22	226.88	16,020.09	37.84	-32.56	37.84	0.22	-0.14	-34.68	
16,119.00	0.44	251.40	16,116.09	37.59	-33.05	37.59	0.27	0.23	25.54	
16,214.00	0.48	241.73	16,211.08	37.29	-33.74	37.29	0.09	0.04	-10.18	
16,309.00	0.40	226.53	16,306.08	36.87	-34.33	36.87	0.15	-0.08	-16.00	
16,405.00	0.35	230.57	16,402.08	36.46	-34.80	36.46	0.06	-0.05	4.21	
16,500.00	0.44	260.10	16,497.08	36.21	-35.39	36.21	0.23	0.09	31.08	

### Survey Report

<b>Company:</b> Mesquite SWD	<b>Local Co-ordinate Reference:</b> Site Sec 13-T26S-R32E
<b>Project:</b> Lea County, NM (NAD 83)	<b>TVD Reference:</b> KB=28 @ 3199.00usft
<b>Site:</b> Sec 13-T26S-R32E	<b>MD Reference:</b> KB=28 @ 3199.00usft
<b>Well:</b> Salado Draw SWD #13-1	<b>North Reference:</b> Grid
<b>Wellbore:</b> Wellbore #1	<b>Survey Calculation Method:</b> Minimum Curvature
<b>Design:</b> Wellbore #1	<b>Database:</b> EDM 5000.1

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)
16,595.00	0.48	237.78	16,592.07	35.93	-36.08	35.93	0.19	0.04	-23.49
16,690.00	0.53	257.64	16,687.07	35.63	-36.85	35.63	0.19	0.05	20.91
16,786.00	0.62	287.96	16,783.07	35.69	-37.78	35.69	0.33	0.09	31.58
16,881.00	0.66	264.85	16,878.06	35.80	-38.81	35.80	0.27	0.04	-24.33
16,976.00	0.70	278.29	16,973.05	35.84	-39.93	35.84	0.17	0.04	14.15
17,071.00	0.62	283.39	17,068.05	36.04	-41.00	36.04	0.10	-0.08	5.37
17,167.00	0.79	290.25	17,164.04	36.39	-42.13	36.39	0.20	0.18	7.15
17,261.00	0.84	277.85	17,258.03	36.71	-43.42	36.71	0.19	0.05	-13.19
17,357.00	0.75	271.51	17,354.02	36.82	-44.75	36.82	0.13	-0.09	-6.60
17,453.00	0.59	283.72	17,450.01	36.95	-45.85	36.95	0.22	-0.17	12.72
17,548.00	0.50	278.47	17,545.01	37.13	-46.74	37.13	0.11	-0.09	-5.53
17,643.00	0.59	317.79	17,640.01	37.55	-47.48	37.55	0.40	0.09	41.39
17,738.00	1.73	354.13	17,734.99	39.34	-47.95	39.34	1.37	1.20	38.25
17,821.00	0.63	312.97	17,817.97	40.90	-48.42	40.90	1.59	-1.33	-49.59
<b>Last MWD Survey 17821 MD/17817.97 TVD 40.90 N -48.42 W N: 377728.9 E: 757069.5</b>									
17,888.00	0.63	312.97	17,884.96	41.40	-48.95	41.40	0.00	0.00	0.00
<b>PTB 17888 MD/17884.96 TVD 41.40 N -48.95 W N: 377729.4 E: 757069.0 - TD Salado Draw SWD #13-1</b>									

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
11,623.00	11,621.63	-6.96	-37.28	1st MWD Survey
17,821.00	17,817.97	40.90	-48.42	Last MWD Survey 17821 MD/17817.97 TVD 40.90 N -48.42 W N: 377728.9 E: 757069.5
17,888.00	17,884.96	41.40	-48.95	PTB 17888 MD/17884.96 TVD 41.40 N -48.95 W N: 377729.4 E: 757069.0

Checked By: _____	Approved By: _____	Date: _____
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**MESQUITE SWD, INC.**  
**APPLICATION TO AMEND SWD-1488-A**  
**SALADO DRAW SWD 13 NO. 1**  
**ONE-MILE AREA OF REVIEW WELL LIST**

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL TYPE	STATUS	Surface Location	Bottom Hole Location	TVD	MD	COMPLETION
30-025-42800	Chevron USA, Inc.	SD WE 14 Federal P5	1H	Oil	Active	M-14-26S-32E	D-14-26S-32E	8,975'	13,887'	Bone Spring
30-025-42801	Chevron USA, Inc.	SD WE 14 Federal P5	2H	Oil	Active	M-14-26S-32E	D-14-26S-32E	8,999'	13,917'	Bone Spring
30-025-43086	Chevron USA, Inc.	SD WE 14 Federal P7	3H	Oil	Active	P-14-26S-32E	A-14-26S-32E	9,074'	13,816'	Bone Spring
30-025-43087	Chevron USA, Inc.	SD WE 14 Federal P7	4H	Oil	Active	P-14-26S-32E	A-14-26S-32E	9,074'	13,816'	Bone Spring
30-025-42802	Chevron USA, Inc.	SD WE 23 Federal P5	1H	Oil	Active	M-14-26S-32E	M-23-26S-32E	8,960'	13,862'	Bone Spring
30-025-42803	Chevron USA, Inc.	SD WE 23 Federal P5	2H	Oil	Active	M-14-26S-32E	M-23-26S-32E	8,999'	13,891'	Bone Spring
30-025-43463	Chevron USA, Inc.	SD WE 23 Federal P25	4H	Oil	NYD	O-23-26S-32E	B-14-26S-32E	*8,990'	*19,269'	Bone Spring
30-025-43460	Chevron USA, Inc.	SD WE 23 Federal P25	5H	Oil	Active	N-23-26S-32E	C-14-26S-32E	9,025'	19,196'	Bone Spring
30-025-43461	Chevron USA, Inc.	SD WE 23 Federal P25	6H	Oil	Active	N-23-26S-32E	C-14-26S-32E	9,006'	19,157'	Bone Spring
30-025-43462	Chevron USA, Inc.	SD WE 23 Federal P25	7H	Oil	Active	O-23-26S-32E	B-14-26S-32E	9,006'	19,419'	Bone Spring
30-025-43088	Chevron USA, Inc.	SD WE 23 Federal P7	3H	Oil	Active	P-14-26S-32E	P-23-26S-32E	9,017'	14,043'	Bone Spring
30-025-43089	Chevron USA, Inc.	SD WE 23 Federal P7	4H	Oil	Active	P-14-26S-32E	P-23-26S-32E	9,030'	14,002'	Bone Spring
30-025-43318	Chevron USA, Inc.	SD WE 24 Federal P23	1H	Oil	Active	M-24-26S-32E	D-13-26S-32E	9,056'	19,366'	Bone Spring
30-025-43296	Chevron USA, Inc.	SD WE 24 Federal P23	2H	Oil	Active	M-24-26S-32E	D-13-26S-32E	9,076'	19,261'	Bone Spring
30-025-43297	Chevron USA, Inc.	SD WE 24 Federal P23	3H	Oil	Active	N-24-26S-32E	C-13-26S-32E	9,041'	19,257'	Bone Spring
30-025-43298	Chevron USA, Inc.	SD WE 24 Federal P23	4H	Oil	Active	N-24-26S-32E	C-13-26S-32E	9,087'	18,709'	Bone Spring
30-025-43674	Chevron USA, Inc.	SD WE 24 Federal P24	5H	Oil	Active	P-24-26S-32E	B-13-26S-32E	9,088'	19,338'	Bone Spring
30-025-43673	Chevron USA, Inc.	SD WE 24 Federal P24	6H	Oil	Active	P-24-26S-32E	A-13-26S-32E	9,083'	19,286'	Bone Spring
30-025-43675	Chevron USA, Inc.	SD WE 24 Federal P24	7H	Oil	Active	P-24-26S-32E	A-13-26S-32E	9,121'	19,371'	Bone Spring
30-025-20448	Gulf Oil Corporation	Federal Littlefield DR	2	Oil	PA	D-24-26S-32E	N/A	4,645'	PA'd 8/26/1963	
30-025-42846	BTA Oil Producers, LLC	Mesa 8105 JV P	8H	Oil	NYD	A-11-26S-32E	P-11-26S-32E	*9,520'	14,104'	Bone Spring
30-025-42857	BTA Oil Producers, LLC	Mesa 8105 JV P	22H	Oil	Active	A-11-26S-32E	P-11-26S-32E	9,650'	14,554'	Bone Spring
30-025-43079	BTA Oil Producers, LLC	Mesa 8105 JV P	9H	Oil	Active	D-12-26S-32E	M-12-26S-32E	9,809'	14,600'	Bone Spring
30-025-42962	BTA Oil Producers, LLC	Mesa 8105 JV P	23H	Oil	NYD	D-12-26S-32E	M-12-26S-32E	*11,635'	16,222'	Bone Spring
30-025-43723	BTA Oil Producers, LLC	Mesa 8105 JV P	29H	Oil	NYD	D-1-26S-32E	M-12-26S-32E	*9,520'	19,422'	Bone Spring
NYD-Not Yet Drilled										
* Proposed TVD & MD										

**Amended Form C-108  
Affirmative Statement  
Mesquite SWD, Inc.  
Salado Draw SWD 13 No. 1  
SL: Section 13, T-26 South, R-32 East, NMPM,  
BHL: Section 14, T-26 South, R-32 East, NMPM,  
Lea County, New Mexico**

**Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.**

*David Catanach*

**David Catanach  
Agent for Mesquite SWD, Inc.**

*3/13/2019*

**Date**

Well Name	API No.	Section	Township	Range	Unit	Field	Formation	PH	TDS: Mg/l	Resistivity	Sodium: Mg/l	Calcium: Mg/l	Magnesium: Mg/l	Manganese: Mg/l	Chloride: mg/l	Sulfate: Mg/l	Sulfate: Mg/l	CO2: Mg/l		
SNAPPING 2 STATE #013H	3001542113	2	26S	31E	N		BONE SPRING 3RD SAND	6.5	94965.6		31352.7	3678.6	31.7		57489.5	244		200		
SNAPPING 2 STATE #013H	3001542113	2	26S	31E	N		BONE SPRING 3RD SAND	7	94518.2	0.08933	30031.5	3402.8	30.9		5782.2		355.2	200		
SNAPPING 2 STATE #013H	3001542113	2	26S	31E	N		BONE SPRING 3RD SAND	7.2	94863.9	0.08894	30224.8	3424	34.8		59015.2		365	200		
SNAPPING 2 STATE #014H	3001542688	2	26S	31E	P		WOLFCAMP	7.3	81366.4	0.1004	26319.4	2687.4	20.1		326.7		399.7	100		
SNAPPING 2 STATE #013H	3001542113	2	26S	31E	N		BONE SPRING 3RD SAND	6.8	91289.1	0.08914	28721.3	3440.7	16.3		56957.4		327.9	150		
ROSS RANCH 10 FEDERAL #001	3001529605	10	26S	31E	H			6.3	111430.5	0.07008	38922.4	3647.3	76.8		487.9	1.05	66173.2	366	0	300
ROSS RANCH 10 FEDERAL #001	3001529605	10	26S	31E	H			7	84116.9		46100	5224	349.6		719.3	3.73	0	73.2	0	570
SNAPPING 10 FEDERAL #005H	3001540994	10	26S	31E	P		BONE SPRING 2ND SAND	6.6	138161.9		44458.5	6280.8	29.7		781.3	0	84470	122	0	20
SNAPPING 10 FEDERAL #005H	3001540994	10	26S	31E	P		BONE SPRING 2ND SAND	6.6	130376		44458.5	6280.8	29.7		781.3	0	84470	122	618	20
SNAPPING 10 FEDERAL #001H	3001537899	10	26S	31E	B		AVALON UPPER	6.5	199638.8		68948.2	7560.4	111.2		1922.8	2.19	118195	732	0	500
SNAPPING 11 FEDERAL #001H	3001538193	11	26S	31E	N		AVALON UPPER	6.1	225189.8		77010.7	8743.8	636.1		1649.2	6.75	134075	366	0	300
SNAPPING 2 STATE #003H	3001539036	2	26S	31E	M		AVALON UPPER	6.1	223019		76001.7	10437.8	209.9		1922.4	4.5	131072	366	632	1100
SNAPPING 2 STATE #006H	3001539162	2	26S	31E	O		AVALON UPPER	6.5	179788.5		71575.7	837.4	21.8		109.6	0	101374	3660	0	500
SNAPPING 2 STATE #006H	3001539162	2	26S	31E	O		AVALON UPPER	6.5	179938		71575.7	837.4	21.8		109.6	0	101374	3660	844	500
SNAPPING 10 FEDERAL #003H	3001539866	10	26S	31E	N		BONE SPRING 2ND SAND	6.5	152439.2		48495.7	6731.3	29.1		803.4	1.06	94055	244	0	100
E D WHITE FEDERAL NCT 1 #003	3001505886	26	26S	31E	O	MASON NORTH	DELAWARE		212112									132100	195	425
SNAPPING 10 FEDERAL #001H	3001537899	10	26S	31E	B		AVALON UPPER	7.1	209352.4		70089.5	7327	209		1557	2.5	127230	146.4	600	600
SNAPPING 11 FEDERAL #001H	3001538193	11	26S	31E	N		AVALON UPPER	7	196576.7		68797.3	8059	32		1066	0.9	118943	122	872	380
SNAPPING 11 FEDERAL #001H	3001538193	11	26S	31E	N		AVALON UPPER	7	203078.9		72261.4	4407	112		904	1.5	123172	1098	658	80
SNAPPING 2 STATE #001Y	3001539104	2	26S	31E	N		AVALON UPPER	7	182860.1		87137	8886	42		776	0.6	97181	1403	756	70

**Mesquite SWD, Inc.**  
**Application to Amend Order SWD-1488-A**  
**Salado Draw SWD 13 No. 1**  
**Source Water Analysis**

---

*New Mexico Office of the State Engineer*  
**Water Column/Average Depth to Water**

---

(quarters are 1=NW 2=NE 3=SW 4=SE)  
(quarters are smallest to largest) (NAD83 UTM in meters)  
No records found.

**PLSS Search:**

**Section(s):** 13, 14, 23, 24    **Township:** 26S    **Range:** 32E

---

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

---

3/13/19 9:07 AM

WATER COLUMN/ AVERAGE  
DEPTH TO WATER

**Mesquite SWD, Inc.**  
**Application to Amend Order SWD-1488-A**  
**Salado Draw SWD 1.3 Well No. 1**

March 13, 2019

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

TO: See Attached Notice List

Re: Mesquite SWD, Inc.  
Amended Form C-108 (Application to Amend Order SWD-1488-A)  
Salado Draw SWD 13 Well No. 1  
API No. (30-025-42354)  
Surface Location: 292' FSL & 10' FWL (Unit M of Section 13)  
Bottom Hole Location: 334' FSL & 38' FEL (Unit P of Section 14)  
Both in Township 26 South, Range 32 East, NMPM,  
Lea County, New Mexico

Ladies & Gentlemen:

Mesquite SWD, Inc. ("Mesquite") is applying to the New Mexico Oil Conservation Division to amend Order SWD-1488-A, which order authorized Chevron USA, Inc. to utilize its Salado Draw SWD 13 Well No. 1, located 292 feet from the South line and 10 feet from the West line (Unit M) of Section 13, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, as a produced water disposal well, injection to occur into the Devonian and Silurian formations through the open-hole interval from approximately 17,729 feet to 19,300 feet.

Mesquite, the successor operator of the Salado Draw SWD 13 No. 1 has re-entered, sidetracked and deepened this well to a bottom hole location 334 feet from the South line and 38 feet from the East line (Unit P) of Section 14, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico.

Mesquite proposes to amend Order SWD-1488-A by authorizing injection into this well at the new bottom hole location, authorizing the expansion of the injection interval to include depths from 17,876 feet to 19,460 feet in the Devonian and Silurian formations, authorizing a change in the casing/tubing configuration of the wellbore, and designating Mesquite as the permittee of Order SWD-1488, as amended.

Produced water from the Bone Spring, Wolfcamp and other formations originating from wells in this area will be injected into the Salado Draw SWD 13 No. 1 at average and maximum rates of 30,000 and 40,000 barrels of water per day, respectively. The initial surface injection pressure for the well is anticipated to be at or below 3,575 psi., in compliance with Division regulations. The maximum surface injection pressure will be determined by step rate injection test.

As a result of these changes, you are being provided, as an offset operator/leasehold owner, or as the owner of the surface where the well is located, notice of this amended application.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

Mesquite SWD, Inc.  
Application to Amend SWD-1488-A  
Salado Draw SWD 13 No. 1  
Page 2

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If you should have any questions, please contact me at (505) 690-9453.

Sincerely,

A handwritten signature in cursive script that reads "David Catanach". The signature is written in dark ink and has a fluid, connected style.

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

Xc: OCD-Hobbs

**Application to Amend SWD-1488-A**  
**Mesquite SWD, Inc.**  
**Salado Draw SWD 13 No. 1**  
**Surface Location: Unit M, Section 13, T-26S, R-32E, NMPM**  
**BHL: Unit P, Section 14, T-26 South, R-32 East, NMPM**  
**Notice List (Offset Operators and/or Leasehold Owners) (See Attached Map)**

**Chevron USA, Inc.**  
**6301 Deauville Blvd.**  
**Midland, Texas 79706**

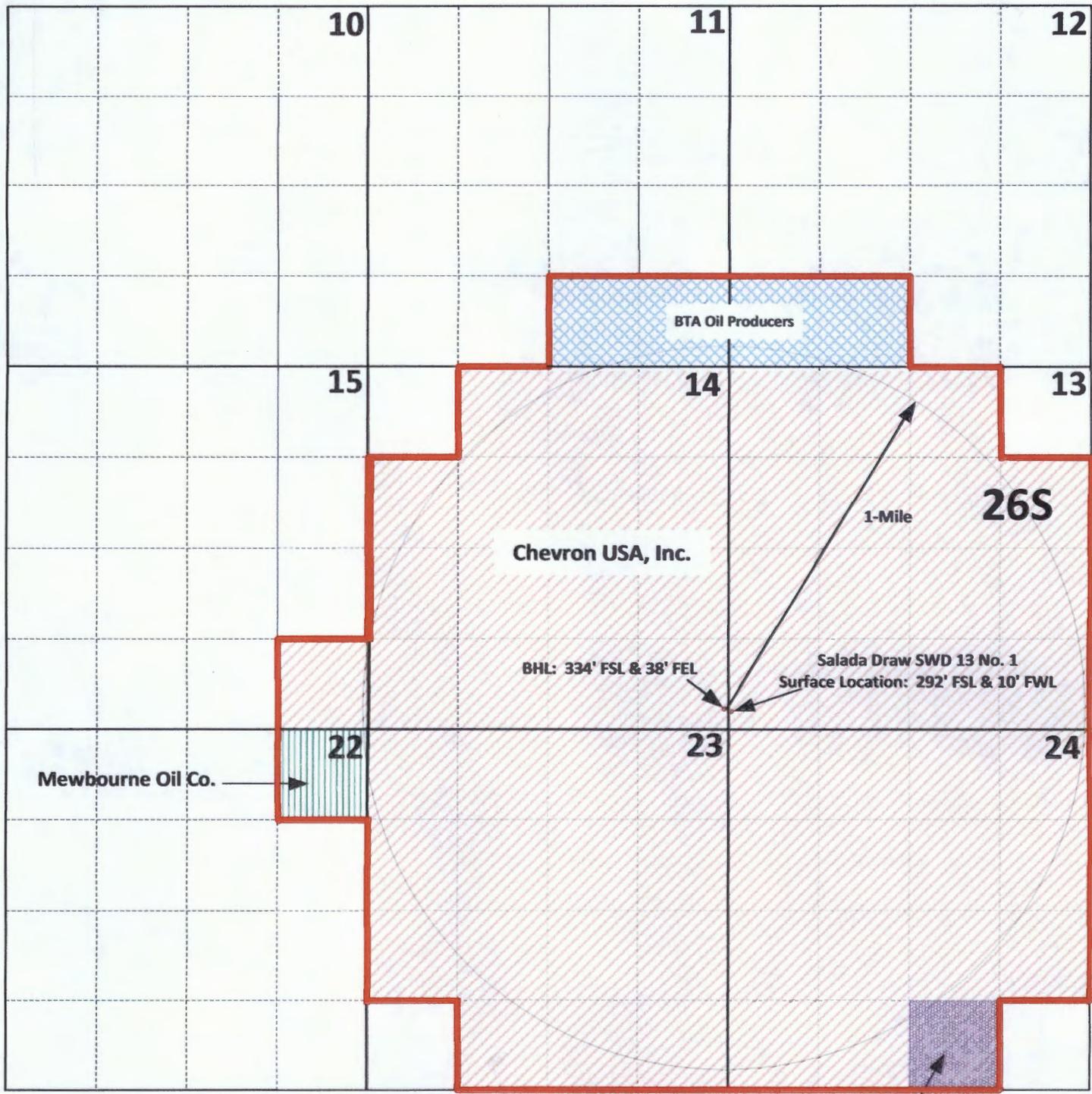
**Mewbourne Oil Company**  
**P.O. Box 5270**  
**Hobbs, New Mexico 88241**

**BTA Oil Producers, LLC**  
**104 S. Pecos**  
**Midland, Texas 79701**

**Sahara Operating Co.**  
**P.O. Box 4130**  
**Midland, Texas 79704**

**(Surface Owner)**

**Bureau of Land Management**  
**620 E. Greene Street**  
**Carlsbad, New Mexico 88220-6292**



**32 East**

Chevron USA, Inc. & Sahara Operating Co.

— 1-Mile Notice Area

Mesquite SWD, Inc.  
 Application to Amend SWD-1488-A  
 Salado Draw SWD 13 No. 1  
 1-Mile Notice Area

7018 0680 0001 6409 2710

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)™.

HOBBS, NM 88241

Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fee as appropriate)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.75

Total \$8.05

Sent To **Mewbourne Oil Company**  
Street **P.O. Box 5270**  
City **Hobbs, New Mexico 88241**



PS Form 3800, April 2013 PSN 7530-02-000-9047 See reverse for instructions

7018 0360 0001 7019 3912

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For delivery information, visit our website at [www.usps.com](http://www.usps.com)™.

MIDLAND, TX 79701

Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fee as appropriate)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.75

Total \$8.05

Sent To **BTA Oil Producers, LLC**  
Street **104 S. Pecos**  
City, St **Midland, Texas 79701**



PS Form 3800, April 2013 PSN 7530-02-000-9047 See reverse for instructions

7018 0360 0001 7019 3905

U.S. Postal Service™  
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Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)™.

MIDLAND, TX 79704

Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fee as appropriate)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.75

Total \$8.05

Sent To **Sahara Operating Co.**  
Street **P.O. Box 4130**  
City **Midland, Texas 79704**



PS Form 3800, April 2013 PSN 7530-02-000-9047 See reverse for instructions

7018 0680 0001 6409 2703

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)™.

MIDLAND, TX 79706

Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fee as appropriate)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.75

Total \$8.05

Sent To **Chevron USA, Inc.**  
Street **6301 Deauville Blvd.**  
City, St **Midland, Texas 79706**



PS Form 3800, April 2013 PSN 7530-02-000-9047 See reverse for instructions

7018 0360 0001 7019 3899

U.S. Postal Service™  
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Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)™.

CARLSBAD, NM 88220

Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fee as appropriate)	\$2.80
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$1.75

Total \$8.05

Sent To **Bureau of Land Management**  
Street **620 E. Greene Street**  
City, St **Carlsbad, New Mexico 88220-6292**



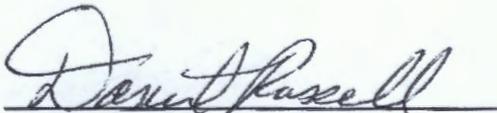
PS Form 3800, April 2013 PSN 7530-02-000-9047 See reverse for instructions

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

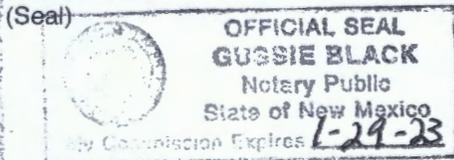
Beginning with the issue dated  
March 14, 2019  
and ending with the issue dated  
March 14, 2019.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
14th day of March 2019.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL LEGAL

### LEGAL NOTICE MARCH 14, 2019

Mesquite SWD, Inc. ("Mesquite") P.O. Box 1479, Carlsbad, New Mexico 88221-1479, is filing an Amended Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division ("Division") seeking to amend Administrative Order SWD-1488-A, which order authorized Chevron USA, Inc. to utilize its Salado Draw SWD 13 Well No. 1, located 292 feet from the South line and 10 feet from the West line (Unit M) of Section 13, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, as a produced water disposal well, injection to occur into the Devonian and Silurian formations through the open-hole interval from approximately 17,729 feet to 19,300 feet. API No. 30-025-42354

Mesquite, the successor operator of the Salado Draw SWD 13 No. 1 has re-entered, sidetracked and deepened this well to a bottom hole location 334 feet from the South line and 38 feet from the East line (Unit P) of Section 14, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico.

Mesquite proposes to amend Order SWD-1488-A by authorizing injection into this well at the new bottom hole location, authorizing the expansion of the injection interval to include depths from 17,876 feet to 19,460 feet in the Devonian and Silurian formations, authorizing a change in the casing/tubing configuration of the wellbore, and designating Mesquite as the permittee of Order SWD-1488, as amended.

Produced water from the Bone Spring, Wolfcamp and other formations originating from wells in this area will be injected into the Salado Draw SWD 13 No. 1 at average and maximum rates of 30,000 and 40,000 barrels of water per day, respectively. The initial surface injection pressure for the well is anticipated to be at or below 3,575 psi, in compliance with Division regulations. The maximum surface injection pressure will be determined by step rate injection test.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Ms. Melanie Wilson-Regulatory Analyst-Mesquite SWD, Inc. at (575) 914-1461 or Mr. David Catanach-Agent for Mesquite SWD, Inc. at (505) 690-9453. #33886

67109601

00225824

DAVID CATANACH  
REGULATORY CONSULTANT  
1142 VUELTA DE LAS ACEQUIAS  
SANTA FE, NM 87507

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD  
Hobbs

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

**HOBBS OCD**  
**APR 06 2018**  
**RECEIVED**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		5. Lease Serial No. NMNM118722
2. Name of Operator MESQUITE SWD, INC. Contact: MELANIE J WILSON E-Mail: mjp1692@gmail.com		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 1479 CARLSBAD, NM 88221	3b. Phone No. (include area code) Ph: 575-914-1461	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T26S R32E Mer NMP SWSW 290FSL 10FWL		8. Well Name and No. SALADO DRAW SWD 13 1
		9. API Well No. 30-025-42354
		10. Field and Pool or Exploratory Area SWD;DEVONIAN
		11. County or Parish, State LEA COUNTY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Mesquite SWD, Inc. respectfully requests permission to enter the TAd well bore, set cement plug and whipstock, sidetrack at approximately 11530 ft with 8 1/2 inch bit, drill to approximately 17820 ft and run 7 5/8 inch liner. Drill 6 1/2 inch open hole to 19300 ft. Detailed drilling plan and proposed well bore diagram are attached.

*plug lengthened.  
10m tested to 10,000 PSI!*

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #407575 verified by the BLM Well Information System For MESQUITE SWD, INC., sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 03/16/2018 ( )</b>	
Name (Printed/Typed) MELANIE J WILSON	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 03/13/2018

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date APR 4 2018
Conditions of approval, if any, are attached. 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.		
Office BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE		

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.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD

Hobbs

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**HOBBS OCD**  
**APR 06 2018**  
**RECEIVED**

5. Lease Serial No. NMNM118722
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. SALADO DRAW SWD 13 1
9. API Well No. 30-025-42354
10. Field and Pool or Exploratory Area SWD;DEVONIAN
11. County or Parish, State LEA COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION	
2. Name of Operator MESQUITE SWD, INC. Contact: MELANIE J WILSON E-Mail: mjp1692@gmail.com	
3a. Address PO BOX 1479 CARLSBAD, NM 88221	3b. Phone No. (include area code) Ph: 575-914-1461
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T26S R32E Mer NMP SWSW 290FSL 10FWL	

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Mesquite SWD, Inc. respectfully requests an extension of the temporarily abandoned status for one year. A 3160-5 was filed through WIS 03/13/2018 requesting permission to enter the TA'd wellbore and attempt completion of a Devonian salt water disposal well. Mesquite SWD, Inc. plans to start this work in 2018 once the sundry is approved.

03/28/2018 - Mechanical integrity test ran. Pressure test to 500 psi for 42 minutes, no pressure loss. Copy of chart attached.

*(exp 8-17-18)*  
*6 month extension / sundry Ec# 407575 approved*

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #409914 verified by the BLM Well Information System  
For MESQUITE SWD, INC., sent to the Hobbs  
Committed to AFMSS for processing by JENNIFER SANCHEZ on 04/02/2018 ()

Name (Printed/Typed) RILEY NEATHERLIN	Title OPERATIONS MANAGER
Signature (Electronic Submission)	Date 03/30/2018

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By _____	Title _____	Date APR 4 2018
Conditions of approval, if any, are attached. 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.	Office BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE	

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.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8181 Fax:(575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico  
Energy, Minerals and Natural  
Resources**

**Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505**

**Change of Operator**

Form C-145  
Revised May 19, 2017

Permit 244803

**HOBBS**

**NOV 15 2017**

**RECEIVED**

**Previous Operator Information**

OGRID: 4323  
Name: CHEVRON U S A INC  
Address: Attn:Permitting Team  
6301 Deauville Blvd.  
City, State, Zip: Midland, TX 79706

**New Operator Information**

Effective Date: Effective on the date of approval by the OCD  
OGRID: 161968  
Name: MESQUITE SWD, INC  
Address: PO BOX 1479  
City, State, Zip: CARLSBAD, NM 88221

I hereby certify that the rules of the Oil Conservation Division ("OCD") have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, MESQUITE SWD, INC certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(i) NMAC.

**MESQUITE SWD, INC understands that the OCD's approval of this operator change:**

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

<b>SUBMIT IN TRIPLICATE - Other instructions on page 2</b>		5. Lease Serial No. <b>NMNM118722</b>
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: <b>INJECTION</b>	8. Well Name and No. <b>SALADO DRAW SWD 13 1</b>	
2. Name of Operator <b>MESQUITE SWD INCORPORATED</b>	Contact: <b>MELANIE WILSON</b> E-Mail: <b>mjp1692@gmail.com</b>	9. API Well No. <b>30-025-42354-00-S1</b>
3a. Address <b>CARLSBAD, NM 88221</b>	3b. Phone No. (include area code) <b>Ph: 575-914-1461</b>	10. Field and Pool or Exploratory Area <b>DEVONIAN SWD</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>Sec 13 T26S R32E SWSW 290FSL 10FWL 32.036301 N Lat, 103.636505 W Lon</b>		11. County or Parish, State <b>LEA COUNTY, NM</b>

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

12/27/18 to 12/30/18 - MIRU. Test BOP. Pick up 5" drill pipe and TIH open-ended to set cmt plug.

12/31/18 to 1/4/19 - TIH to 11765'. Pump 100 sx cmt. WOC and tag @ 11494'. Drill cmt to 11525'. TIH w/whipstock. Mill window in casing from 11507-11525' and sidetrack.

2/7/19 - TD 8-1/2" hole @ 17876'.

2/9/19 to 2/10/19 - Ran 7-5/8" 39# P-110 liner from 11166-17876'. Cmt w/555 sx Versacem H. Circ 99 sx to surface. WOC 48 hrs and test to 1035# for 30 mins.

2/16/19 - TD 6-1/2" hole @ 19460'.

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #456540 verified by the BLM Well Information System For MESQUITE SWD INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 03/04/2019 (18PP0769SE)</b>	
Name (Printed/Typed) <b>MELANIE WILSON</b>	Title <b>REGULATORY ANALYST</b>
Signature (Electronic Submission)	Date <b>03/02/2019</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>ACCEPTED</b>	Title <b>JONATHON SHEPARD PETROELUM ENGINEER</b>	Date <b>03/05/2019</b>
Conditions of approval, if any, are attached. 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.		Office <b>Hobbs</b>

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.

(Instructions on page 2)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #456540 that would not fit on the form**

**32. Additional remarks, continued**

2/22/19 to 2/23/19 - Ran 5-1/2" 20# P-110 tbg from 11036-17849' and 7" 26# P-110 tubing from surface to 11036' and packer @ 17855'. Acdz w/250 bbls 15% HCL. Test backside to 500#.

2/24/19 - Rig released.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**OCD-HOBBS**

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**HOBBS**

5. Lease Serial No.  
NMNM118722

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

JUN 14 2016

7. Unit or CA/Agreement, Name and/or No.

**RECEIVED**

8. Well Name and No.  
SALADO DRAW SWD 13 1

9. API Well No.  
30-025-42354

10. Field and Pool, or Exploratory  
SWD DEVONIAN; SILURIAN

11. County or Parish, and State  
LEA COUNTY, NM

1. Type of Well  
 Oil Well  Gas Well  Other: INJECTION

2. Name of Operator  
CHEVRON USA INC  
Contact: CINDY H MURILLO  
E-Mail: CERRERAMURILLO@CHEVRON.COM

3a. Address  
1616 W. BENDER BLVD  
HOBBS, NM 88240  
3b. Phone No. (include area code)  
Ph: 575-263-0431  
Fx: 575-263-0445

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 13 T26S R32E Mer NMP SWSW 290FSL 10FWL

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS SUBSEQUENT REPORT IS FILED IN RESPONSE TO THE WRITTEN ORDER BY AUTHORIZED OFFICER DATED 04/13/2016. EXPLANATION OF ANNULUS MONITORING SYSTEM ON THE SUBJECT WELL. THE SYSTEM WAS PERSONONALLY INSPECTED BY PAUL SWARTZ ON 05/16/2016. FOLLOWING THE INSPECETION, MR SWARTZ PERMITTED CHEVRON TO RESUME INJECTION INTO THE SUBJECT WELL.

\*\* PLEASE SEE ATTACHED DETAILED PROCEDURE ON ANNULUS MONITORING SYSTEM AND DIAGRAM.\*\*

\*\* PLEASE FORWARD TO PAUL SWARTZ\*\*

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #340685 verified by the BLM Well Information System  
For CHEVRON USA INC, sent to the Hobbs

Name (Printed/Typed) CINDY H MURILLO

Title PERMITTING SPECIALIST

Signature (Electronic Submission)

Date 05/31/2016

**ACCEPTED FOR RECORD**  
JUN 1 2016  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Date

Conditions of approval, if any, are attached. 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.

Office

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 any statement or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMNM118722

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  **SWD**  
 Oil Well  Gas Well  Other: INJECTION

8. Well Name and No.  
SALADO DRAW SWD 13 1 ✓

2. Name of Operator **CHEVRON USA INC** ✓ Contact: **CINDY H MURILLO**  
E-Mail: **CHERRERAMURILLO@CHEVRON.COM**

9. API Well No.  
30-025-42354 ✓

3a. Address  
**1616 W. BENDER BLVD  
HOBBS, NM 88240**

3b. Phone No. (include area code)  
Ph: **575-263-0445**  
Fx: **575-263-0445**

10. Field and Pool, or Exploratory  
**SWD DEVONIAN SILURIAN**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**Sec 13 T26S R32E Mer NMP SWSW 290FSL 10FWL** ✓

11. County or Parish, and State  
**LEA COUNTY, NM**

**MAY 05 2016**  
**RECEIVED**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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**SWD**  
CHEVRON USA INC HAS COMPLETED THE ABOVE INJECTION WELL AS FOLLOWS:  
08/09/15 CONTINUED TO TIH FROM 5879' -17,663'. CIRCULATE BOTTOMS UP @ 17,660'. PERFORM INJECTION RATE TEST, INITIAL PRESSURE OF 2050 PSI, BLEED TO 1235 IN 10 MIN.  
08/10/15 TIF FROM 17,663' - 18,673 PUMPED 17 BBLS OF 15% HCL ACID; AT 17,873' PUMPED 40 BBLS OF 15% ACID DOWN WORK STRING.  
08/11/15 THI TO BIT DEPTH 17,842', MIX 250 BBLS OF 15% ACID WHILE MONITORING PRESSURE, PUMP 223 BBLS 15% HCL DOWN DRILL PIPE.  
08/12/15 TIH FROM 17,780' - 18,302'  
08/13/15 TIF FROM 18,306' - 18,675' PUMP 247 BBLS OF 20% HACL ACID TAKING RETURNS TO MUD TANKS.  
08/14/15 TOH FROM 17,612' - 14,385' PERFORM STEP RATE TEST BY INJECTING/BULL HEADING 8.4 PPG FRESH WATER INTO 4 1/2 OPEN HOLE SECTION. INJECT A TOTAL OF 1950 BBLS @ 5PBM. FINAL ANNULUS PRESSURE TO 2813 PSI.

*see attached order of Authorized Officer*

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #335064 verified by the BLM Well Information System  
For CHEVRON USA INC, sent to the Hobbs  
Committed to AFMSS for processing by PRISCILLA PEREZ on 04/04/2016 ( )**

Name (Printed/Typed) **CINDY H MURILLO**

Title **PERMITTING SPECIALIST**

Signature (Electronic Submission)

Date **03/30/2016**

**ACCEPTED FOR RECORD**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By \_\_\_\_\_

Title

**APR 15 2016** Date

Conditions of approval, if any, are attached. 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.

Office

*PR Swartz*

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**BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE**

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

*Ke*

*ly*

**MAY 06 2016**

