

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



Mesquito
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ABOVE THIS LINE FOR DIVISION USE ONLY

2010 JUN 25 P 12:49 #

ADMINISTRATIVE APPLICATION CHECKLIST

Delaware River Unit 2

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

30-015-24784

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached

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[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Kay Havenor	<i>Kay Havenor</i>	Agent	6/10/2010
Print or Type Name	Signature	Title	Date
		KHavenor@georesources.com	
		e-mail Address	

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No

II. OPERATOR: Mesquite SWD, Inc.

ADDRESS: P.O. Box 1479 Carlsbad, NM 88221

CONTACT PARTY: Kay Havenor PHONE: 575-622-0283

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 X 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: Kay Havenor TITLE: Agent

SIGNATURE: *Kay Havenor* DATE: 6/10/2010

E-MAIL ADDRESS: KHavenor@georesources.com 575-622-0283

* 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.

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.

INJECTION WELL DATA SHEET

OPERATOR: Mesquite SWD, Inc.

WELL NAME & NUMBER: Delaware River Unit #2

WELL LOCATION: 1980' FNL & 990' FWL
FOOTAGE LOCATION

E 11 26S 28E
UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 17-1/2" Casing Size: 13-1/2"
Cemented with: 75 or ft³
Top of Cement: Surface Method Determined: Circulated

See attached well diagram

Intermediate Casing

Hole Size: 12-1/4" Casing Size: 8-5/8"
Cemented with: 2459 or ft³
Top of Cement: 2230 Method Determined: N/R

1014 Perforated
Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2"
Cemented with: 725 or ft³
Top of Cement: 2200' Method Determined: N/R

Total Depth: 4954'

Injection Interval
Perfs 2642' - 4934'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3-1/2" L80 intergal Lining Material: IPC 1850 coated

Type of Packer: Lok-Set

Packer Setting Depth: Approx 2600 ft

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes No
If no, for what purpose was the well originally drilled? Oil/gas

2. Name of the Injection Formation: Delaware Mtn Group: Bell Canyon and Cherry Canyon

3. Name of Field or Pool (if applicable): NA (Not Applicable)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: No commercial Delaware Mountain Group production in the 2-mile area.

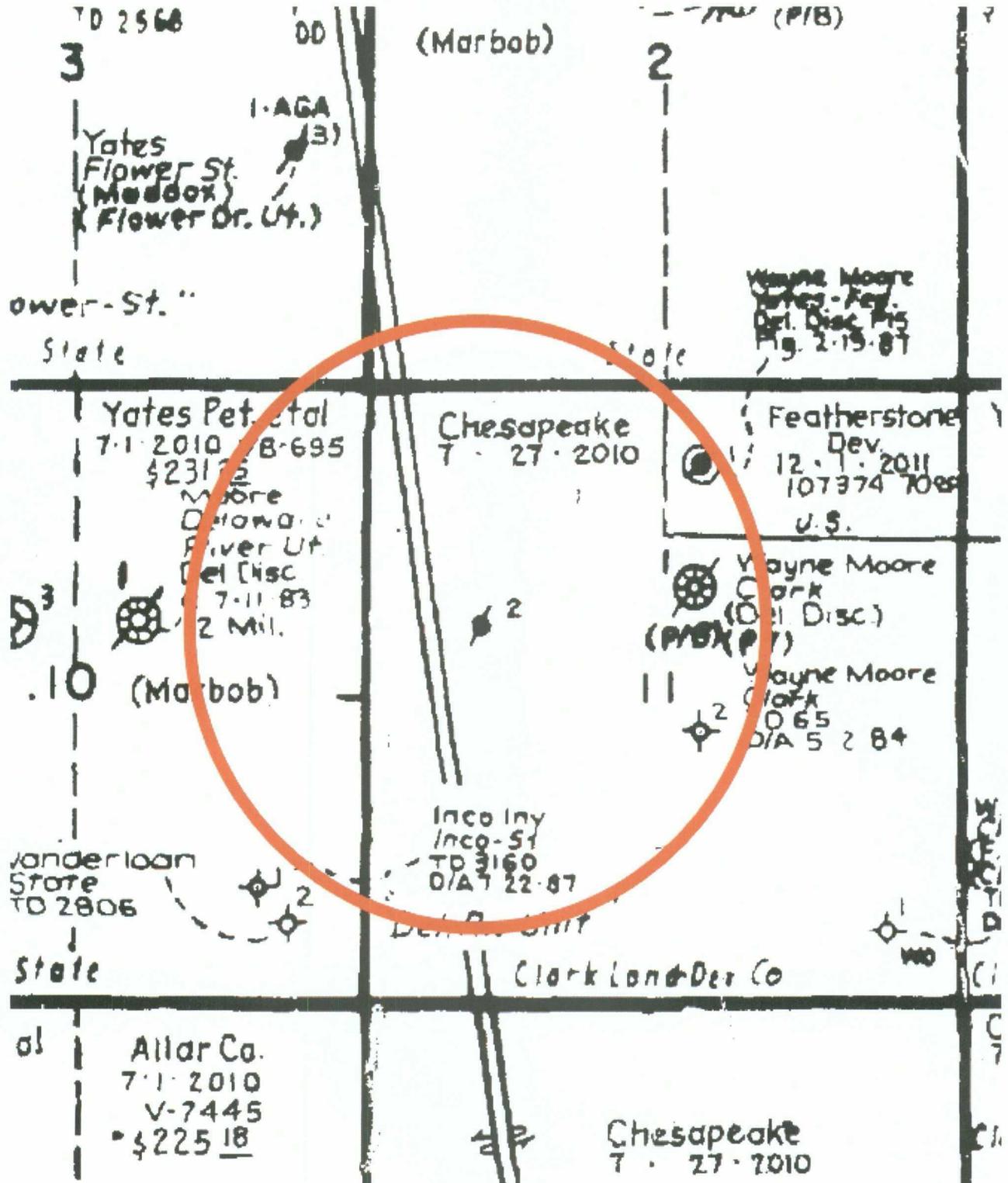
Bone Spring is productive to east below 6480' in A-Sec 12, T26S-R28E. Morrow gas is produced in unit F

Sec 5, T26S-R28E outside the 2-mile radius.

Delaware River Unit #2
1980' FNL & 990' FWL
Sec. 11, T26S-R28E
Eddy County, NM

Enlarged View of AOR
Centered in Unit E Sec. 11, T26S-R28E
Eddy Co., NM

Item V(a):



Delaware River Unit #2
 1980' FNL & 990' FWL
 Sec. 11, T26S-R28E
 Eddy County, NM

Item VI: Data on wells in AOR.

All Known Wells in AOR

API	WELL NAME	STATUS	UNIT	SEC	TOWNS	RANGE	NS	EW	OPERATOR	LAND	SPUD DATE	PLUG DATE	ELEV-GL	TVD_DEPTH	Highest Perf
1	3001524341 Joseph Federal 1	P&A	B	11	26S	28E	660-N	2310-E	Wayne Moore	Fed	11/28/1982	2/19/1988	2975	4694	4110
2	3001524784 Delaware River Unit 2	P&A	E	11	26S	28E	1980-N	990-E	Wayne Moore	Fee	3/11/1984	10/27/1987	2972	4954	4467
3	3001524305 ** Clark 1	P&A	G	11	26S	28E	1650-N	2310-E	Wayne Moore	Fee	10/18/1982	8/29/1990	2953	5803	3072

3001524784 is the target re-entry
 ** Note: Clark #1 is currently the Mesquite SWD, Inc Clark SWD #1 actively being re-entered for disposal conversion as per SWD-1205

Item VI(a): Construction of wells in the AOR:

1. 30-015-24341 Wayne Moore Joseph Federal 1, B-Sec. 11-T26S-R28E 8-5/8" @ 2556' w/1580 sxs circulated. 5-1/2" @ 4700" w/625 sxs TOC 2000' (temp surv). Perf (OA) 4110'-4432' P&A 235 sxs 4587'-2750', 70 sxs tagged @ 2490'. 15 sxs 120' to surface. 2/19/1988.
2. 30-015-24784 Wayne Moore Delaware River Unit 2, E-Sec. 11-T26S-R28E 13-3/8" @ 401' w/425 sxs circulated. 8-5/8" @ 2459' w/200 sxs TOC N/R. 5-1/2" @ 4954 w/775 sxs TOC 2200'. Perfs 4467'-4482' and 4601'-4609'. P&A CIBP 4400' w/35 sxs. 25 sxs 2609'-2509' tagged. 45 sxs 2250'-2122' tagged. Pulled 2200' 5-1/2". 35 sxs 1750'-1650' tagged. Pulled 1014' 8-5/8". 60 sxs 1050'-942' tagged. 60 sxs 451'-330' tagged. 50 sxs 30' to surface. **Target re-entry well.**
3. Wayne Moore Clark 1, G-Sec. 11-T26S-R28E 13-3/8" @ 424' w/450 sxs circulated. 8-5/8" @ 2525' w/200 sxs. TD 5803'. 4-1/2" 5130' w/1065 sxs TOC 1400'. Perf 5014'-5052'. CIBP 4970' + 50 sxs. Perf 4392'-4577' w/21 shots. Sqz w/100 sxs. Perf 4032'-4054' w/8 shots. Perf 3108'-3194' w/8 shots. Sqz w/100sxs. Perf 3072'-3082' w/6 shots. Perf 2692'-2794' w/12 shots. CIBP 2640' + 30 sxs. 25 sxs @ 1870'. Cut and pulled 1225' 4-1/2". 25 sxs @ 1287' tagged @ 1177'. Cut and pulled 1121' 8-5/8". 55 sxs @ 1188'. Tagged @ 1180'. 75 sxs @ 470' tagged @ 340'. 20 sxs at surface. Note: This well is currently being re-entered for conversion to Mesquite SWD, Inc. Clark SWD #1 as per SWD-1205.

Delaware River Unit #2
1980' FNL & 990' FWL
Sec. 11, T26S-R28E
Eddy County, NM

Item VII:

1. The maximum injected volume anticipated is 15,000 BHPD. Average anticipated is 10,000 BHPD.
2. Injection will be through a closed system.
3. Maximum injection pressure is expected to be 520 PSI.
4. Sources will be only produced water.
5. Water sample analysis Delaware Formation 30-015-29376 Sec. 1, T25S-R28E, Eddy Co. See figure from WATIS database below. This is the closest Delaware water sample available, approximately 360,000 ppm TDS.

NM WAIDS



Water Samples for Well HOPI FEDERAL 001
API = 3001529367
Formation = DEL
Field = WILLOW LAKE
Current Water Production Information

Instructions:

- Click  For general information about this sample.
- Click  For scale calculation pages (Stiff-Davis or Oddo Tomson methods).
- Click  To select **this water sample** for water mixing. It will lead to the main page, and add the sample ID to the mixing table.
- Click 664 Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes and click Submit for multiple samples
The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3	K	Na	Ca	Mg
<input type="checkbox"/>	<u>5869</u>											
	  	25S	28E	01	84	221998	0	74	746	109024	25348	2749
<input type="checkbox"/>	SELECT/DESELECT ALL											

Delaware River Unit #2
1980' FNL & 990' FWL
Sec. 11, T26S-R28E
Eddy County, NM

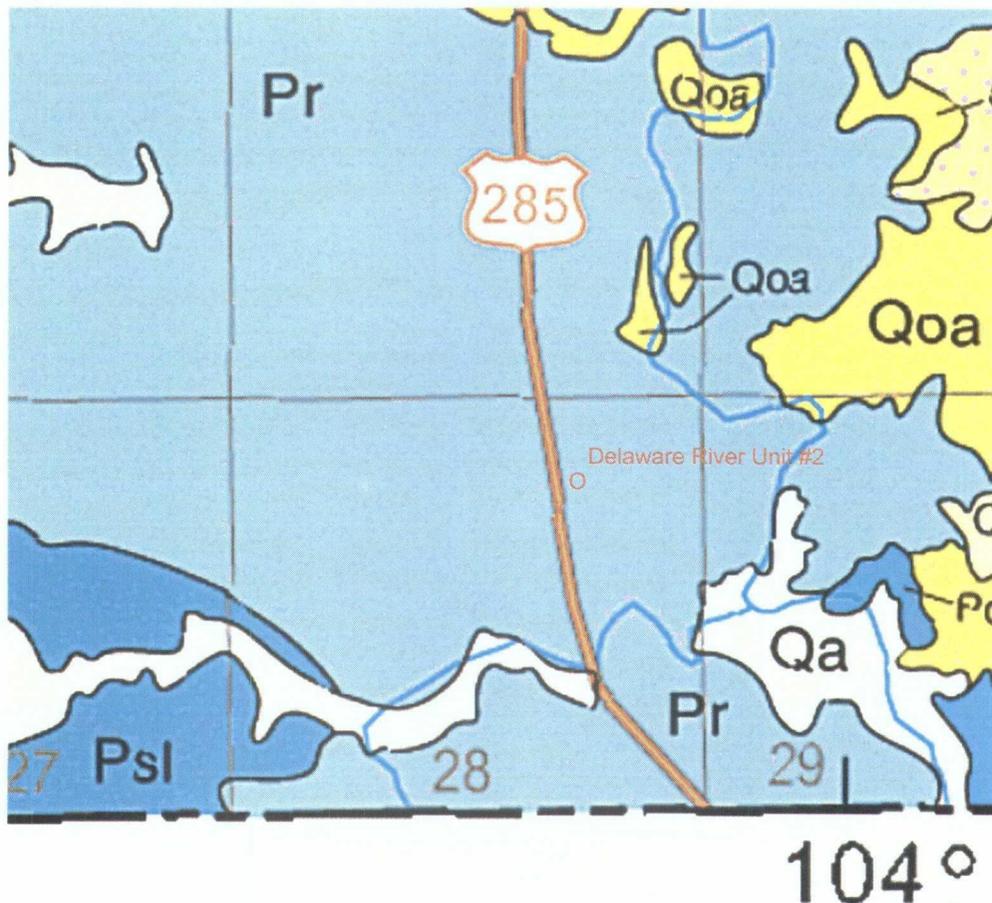
Item VIII:

The injection formation will be the Delaware Mountain Group. The overall proposed injection interval will include the Bell Canyon and Cherry Canyon formations.

One shallow stock water well (C-02924) was permitted and drilled within the AOR and north approximately 600 ft (estimated) of the Clark SWD #1 location (Wayne Moore #1 Clark currently being re-entered for conversion to SWD). The water well was permitted to a TD no greater than 300 ft. The well was completed as a dry hole 10/4/2002. No potable drinking water or water less than 10,000 TDS is known to be present above or below the injection intervals within the AOR.

Mesquite SWD, Inc., has a construction and oil/gas water supply well located approximately 210' FNL and 2300' FEL of Sec. 14, 26S-R28E. The well is 300 ft deep and is a commercial water supply well for construction and oi/gas operations. An analysis of water from this well is presented on the next page.

The surface of the area included in the 2-mile radius, as shown in Item V above, and in the extracted portion of the New Mexico Bureau of Geology State Geological map (2003), shown below. Quaternary alluvium and valley fill deposited on Permian Rustler Formation (Pr). The top of the Rustler is at 614' and top of the main salt in the reentry well is found at 1010 ft. The base of the evaporite sequence rests unconformably on the Lamar Limestone of the Delaware Mountain Group at 2600 ft.



Delaware River Unit #2
 1980' FNL & 990' FWL
 Sec. 11, T26S-R28E
 Eddy County, NM

Water analysis from Mesquite SWD, Inc., water supply well Unit C, Sec. 14, T26S-R28E, Eddy Co. NM

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
 WATER ANALYSIS REPORT
 HOBBS, NEW MEXICO

COMPANY	<u>Marbob</u>	REPORT	<u>W09-052</u>
		DATE	<u>June 23, 2009</u>
		DISTRICT	<u>Hobbs</u>

SUBMITTED BY Bret Barrett

WELL	<u>MM4 Water Well (Mesquite)</u>	DEPTH	<u></u>	FORMATION	<u></u>
COUNTY	<u></u>	FIELD	<u></u>	SOURCE	<u></u>

SAMPLE				
Sample Temp.	<u>70</u>	°F	<u></u>	°F
RESISTIVITY	<u>2.600</u>		<u></u>	
SPECIFIC GR.	<u>1.002</u>		<u></u>	
pH	<u>7.85</u>		<u></u>	
CALCIUM	<u>1,000</u>	mpl	<u></u>	mpl
MAGNESIUM	<u>720</u>	mpl	<u></u>	mpl
CHLORIDE	<u>1,584</u>	mpl	<u></u>	mpl
SULFATES	<u>2,400</u>	mpl	<u></u>	mpl
BICARBONATES	<u>183</u>	mpl	<u></u>	mpl
SOLUBLE IRON	<u>0</u>	mpl	<u></u>	mpl
KCL	<u>Negative</u>		<u></u>	
Sodium	<u>-264</u>	mpl	<u>0</u>	mpl
TDS	<u>5,623</u>	mpl	<u>0</u>	mpl
OIL GRAVITY	<u>@</u>	°F	<u>@</u>	°F

REMARKS Due to the high concentration of sulfates we would not recommend using this water for cement or frac fluids.

MPL = Milligrams per liter
 Resistivity measured in: Ohm/m2/m

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management: it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co.

ANALYST: MA

Delaware River Unit #2
1980' FNL & 990' FWL
Sec. 11, T26S-R28E
Eddy County, NM

Item IX:

Acid wash of previous and new perforations in sand porosity zones between 2600 - 4934'. No new fracturing is planned.

Item X:

Logs are on file with the OCD.

Item XI:

There are no fresh water wells within a one-mile radius of the Delaware River Unit #2 well. The Mesquite SWD, Inc. water well, described in VIII above, is not potable for humans or livestock, and would not be useful for commercial agriculture. See analysis above and please note Item VIII above. The source of this water is Quaternary Alluvium.

Item XII:

There is no geological evidence of open faults nor hydrologic connection between the disposal zone and any possible underground sources of protectable water.

Delaware River Unit #2
 1980' FNL & 990' FWL
 Sec. 11, T26S-R28E
 Eddy County, NM

Plugging diagram of 30-015-24784. Target re-entry

PLUG AND ABANDON WELL DIAGRAM

API: 3001524784
 Operator: Wayne Moore
 Lease: Delaware River Unit
 Location: Sec 11, T26S-R28E Eddy Co., NM
 Footage: 1980 FNL, 990 FWL

Well No: 2

KB: 2984
 GL: 2972
 Spud date: March 11, 1984
 Plugged date: August 18, 1997
 MSL of TD: -1970

Surface Csg

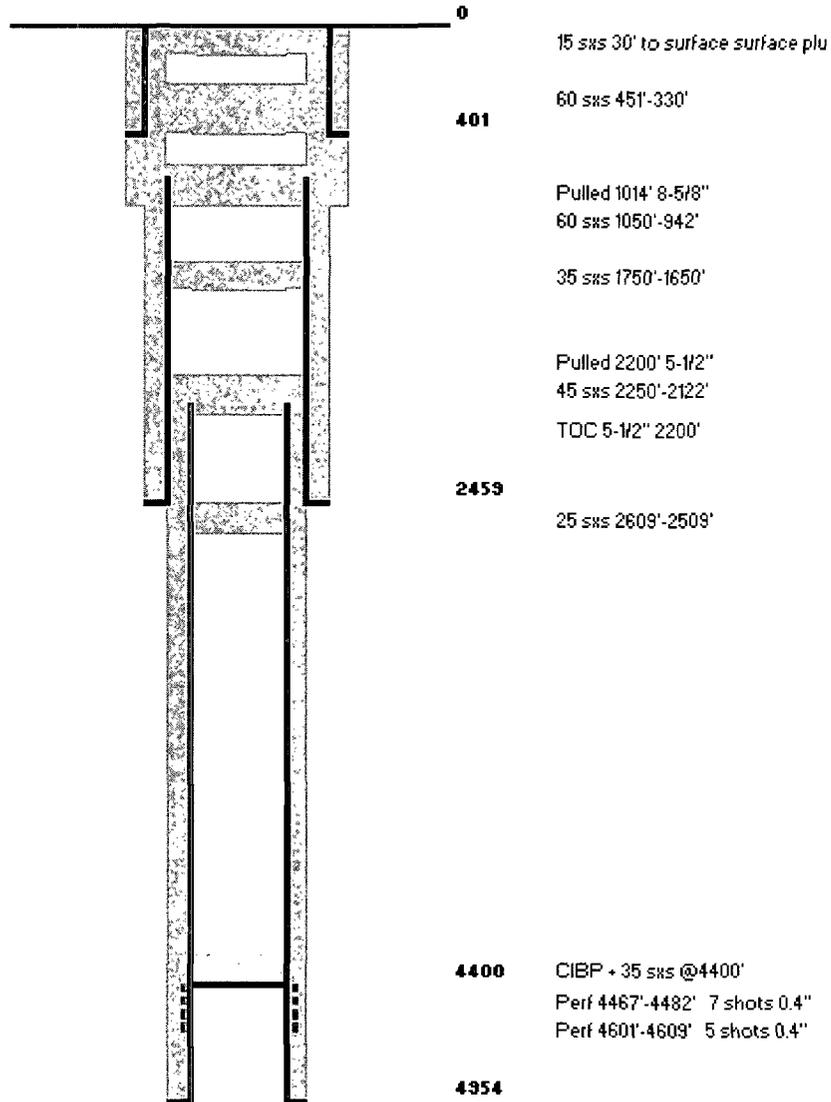
Size: 13-3/8"
 Set @: 401
 Sxs cmt: 425
 Circ: Yes
 TOC: Surface
 Hole Size: 17-1/2"

Intermediate Csg

Size: 8-5/8"
 Set @: 2459
 Sxs cmt: 200
 Circ: No
 TOC: NR
 Hole Size: 12-1/4"

Production Csg

Size: 5-1/2"
 Set @: 4954
 Sxs cmt: 775
 Circ: No
 TOC: 2200
 Hole Size: 7-5/8"



Not to Scale

Delaware River Unit #2
 1980' FNL & 990' FWL
 Sec. 11, T26S-R28E
 Eddy County, NM

Plugging diagram of 30-015-24341

PLUG AND ABANDON WELL DIAGRAM

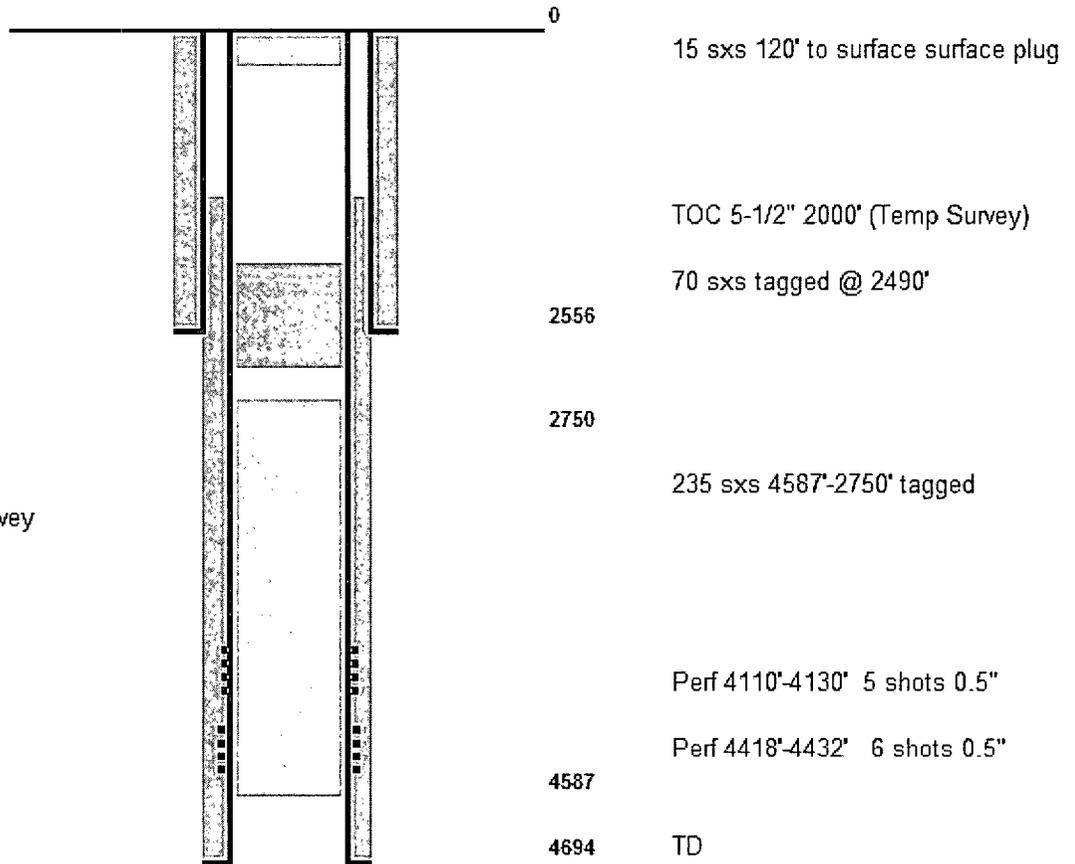
API: 3001524341	Well No: 1	KB: 2985
Operator: Wayne Moore		GL: 2975
Lease: Joseph Federal		Spud date: November 28, 1982
Location: Sec 11, T26S-R28E Eddy Co., NM		Plugged date: February 19, 1988
Footage: 660 FNL, 2310 FEL		MSL of TD: -1709

Intermediate Csg

Size: 8-5/8"
 Set @: 2556
 Sxs cmt: 1580
 Circ: Yes
 TOC: Surface
 Hole Size: 12-1/2"

Production Csg

Size: 5-1/2"
 Set @: 11781
 Sxs cmt: 625
 Circ: No
 TOC: 2000 temp survey
 Hole Size: 7-5/8"



Not to Scale

Delaware River Unit #2
 1980' FNL & 990' FWL
 Sec. 11, T26S-R28E
 Eddy County, NM

Plugging diagram of 30-015-24305 - Currently being re-entered for Mesquite SWD, Inc., Clark SWD #1

PLUG AND ABANDON WELL DIAGRAM

API: 3001524305
 Operator: Wayne Moore
 Lease: Clark
 Location: Sec 11, T26S-R28E Eddy Co., NM
 Footage: 1650 FNL, 2310 FEL

Well No: 1

KB: 2966
 GL: 2953
 Spud date: March 18, 1982
 Plugged date: August 29, 1990
 MSL of TD: -2837

Surface Csg

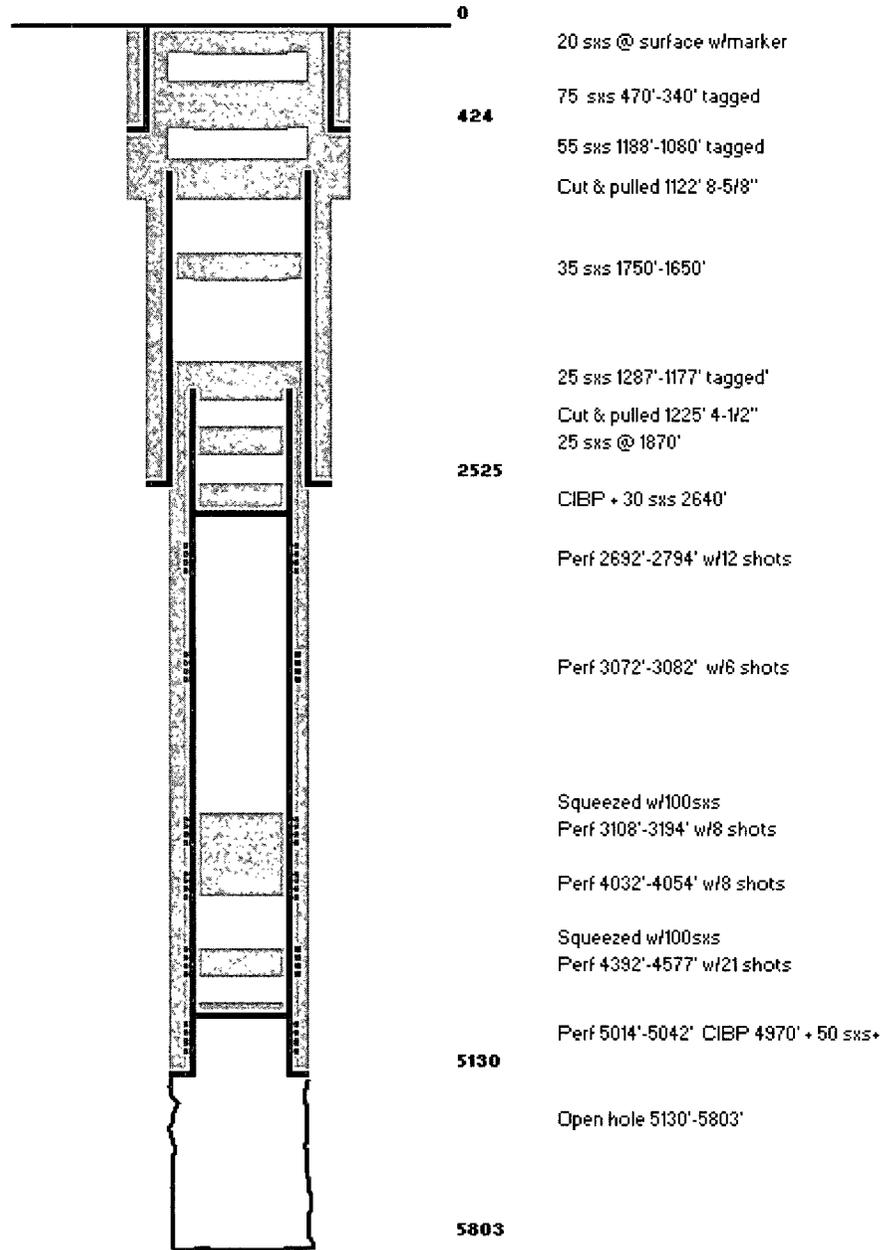
Size: 13-3/8"
 Set @: 424
 Sxs cmt: 450
 Circ: Yes
 TOC: Surface
 Hole Size: 17-1/2"

Intermediate Csg

Size: 8-5/8"
 Set @: 2525
 Sxs cmt: 200
 Circ: No
 TOC: NR
 Hole Size: 12-1/4"

Production Csg

Size: 4-1/2"
 Set @: 5130
 Sxs cmt: 1065
 Circ: No
 TOC: 1400
 Hole Size: 7-5/8"



Not to Scale

Delaware River Unit #2
 1980' FNL & 990' FWL
 Sec. 11, T26S-R28E
 Eddy County, NM

Proposed re-entry and completion well diagram

REENTRY AND COMPLETION DIAGRAM

API: 3001527484
 Operator: Mesquire SWD, Inc.
 Lease: Delaware River Unit
 Location: Sec 11, T26S-R28E Eddy Co., NM
 Footage: 1980 FNL, 990 FWL

Well No: 2

KB:
 GL: 2972

Surface Csg

Size: 13-3/8"
 Set @: 401
 Sxs cmt: 75
 Circ: No
 TOC: NR
 Hole Size: 17-1/2"

Intermediate Csg

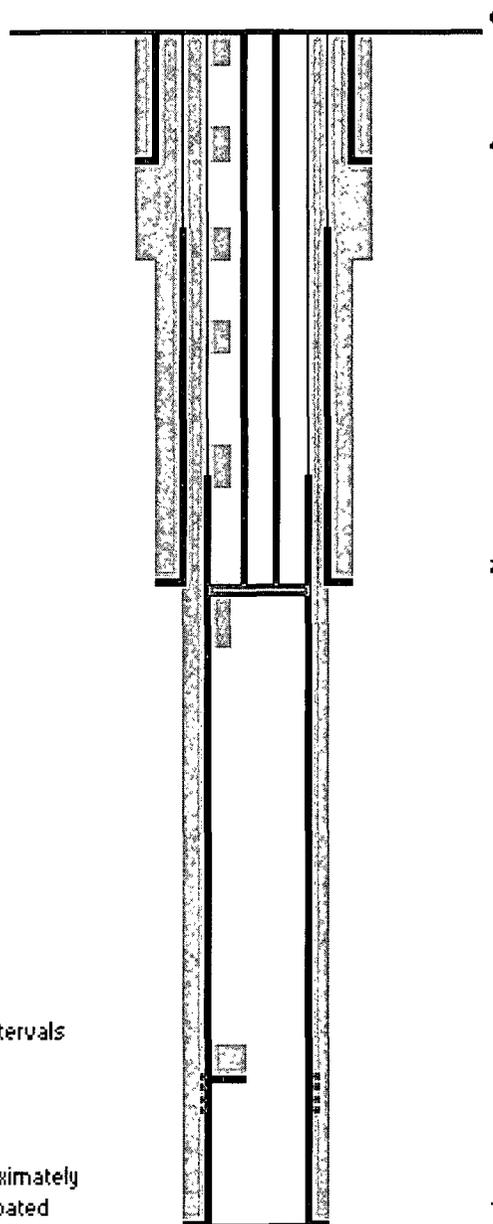
Size: 8-5/8"
 Set @: 2459
 Sxs cmt: 200
 Circ: No
 TOC: 2230'
 Hole Size: 12-1/4"

Production Csg

Size: 5-1/2" 15.5#
 Set @: 4954
 Sxs cmt: 725
 Circ: No
 TOC: 2200'
 Hole Size: 7-5/8"

After CO perf casing and acidize intervals
 selectively from 2642 to 4934'

Lok-Set packer in 5-1/2" csg approximately
 2600' on 3-1/2" integral IPC 1850 coated



Rigup w/ BOP
 Drill cement surface to 30'

401 Drill cement 330-451'

DO cement 942 to 1050'
 Tag 8-5/8" 1014' Tie-in ✓
 Circ 8-5/8" cement to surface.
 Test csg.
 DO cement 1650-1750'

DO cement 2122-2250'
 Tag 5-1/2" @ 2200' ✓
 Tie-in 5-1/2" csg. Circ cement. Test csg.

2459

2600' proposed 3-1/2" integral packer seat
 DO cement 2509 - 2609'

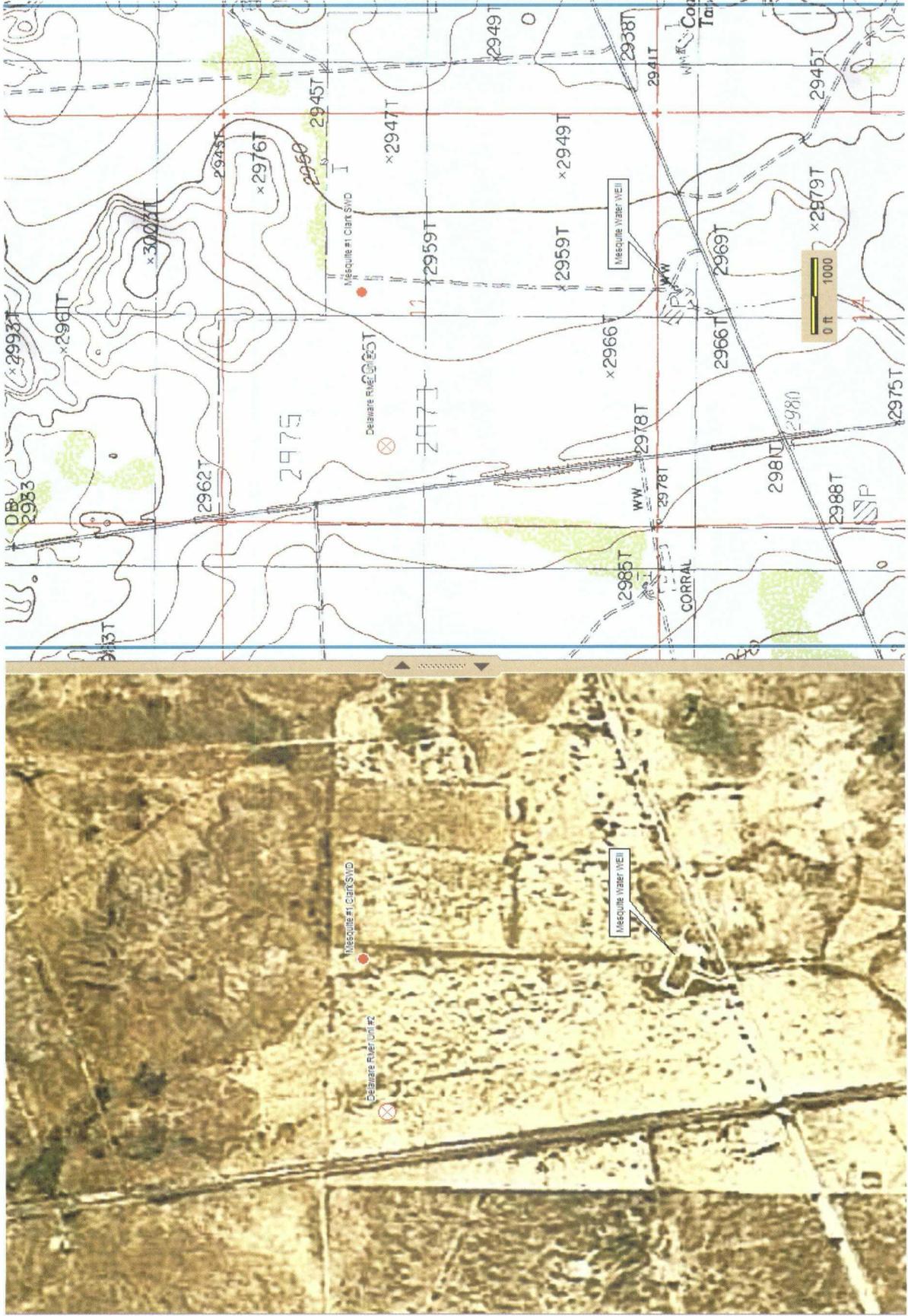
Drill-out CIBP + 35 sxs 4400'
 (Orig Perfs 4467'-4609')

TD 4954 Clean-out to 4950'

Not to Scale

Delaware River Unit #2
1980' FNL & 990' FWL
Sec. 11, T26S-R28E
Eddy County, NM

SPOT10 Satellite and Matching Topographic Map



Delaware River Unit #2
1980' FNL & 990' FWL
Sec. 11, T26S-R28E
Eddy County, NM

Item XIII:

Notification List

Bureau of Land Management
c/o Carlsbad Field Office
620 E. Greene Street
Carlsbad, NM 88220

Surface Owner:

Delaware Ranch, Inc.
706 W. Riverside Dr.
Carlsbad, NM 88220

Operators:

The Allar Company
P. O. Box 1567
Graham, TX 76450

Chesapeake Exploration, LLC
P. O. Box 18496
Oklahoma City, OK 73154

Featherstone Development Corp.
400 N. Pennsylvania Suite 850
Roswell, NM 88201

Marbob Energy Corp.
P.O. Box 227
Artesia, NM 88211-0227

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

Delaware River Unit #2
1980' FNL & 990' FWL
Sec. 11, T26S-R28E
Eddy County, NM

Legal Notice Publication

Affidavit of Publication

NO. 21238

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott

being duly sworn, says that he is the Publisher

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 consecutive weeks/days on the same

day as follows:

First Publication June 13, 2010

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Gary D. Scott

Subscribed and sworn to before me this

15th day of June 2010



OFFICIAL SEAL
Walter L. Green
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 3/18/2014

Walter L. Green

Walter L. Green
Notary Public, Eddy County, New Mexico

Copy of Publication:

Mesquite SWD, Inc., c/o Kay Havenor, 200 W. 1st Street, Suite 747, Roswell, NM 88203, (575) 622-0283, is seeking approval from the New Mexico Oil Conservation Division to re-enter the Wayne Moore Delaware River Unit #2 well API: 30-015-27484, located 1980 feet from the north line and 990 feet from the west line of Section 11, T26S, R28E, Eddy County, N.M. and complete for commercial produced water disposal as the Mesquite SWD, Inc. Delaware River Unit #2.

The proposed disposal interval is the Delaware Mountain Group Bell Canyon and Cherry Canyon formations through perforations from 2648 feet to 4934 feet (over-all). Mesquite SWD, Inc. plans to dispose of a maximum of 15,000 BWPD with a maximum pressure of 520 psi. Parties with questions regarding this proposal can contact Kay Havenor at the address or phone number above. Interested parties must file objections or requests for hearing within 15 days to the Oil Conservation Division: 1220 S. St. Francis Dr., Santa Fe, NM 87505. Published in the Artesia Daily Press, Artesia, N.M. June-13-2010. Legal No. 21238.

2648'-4934'
520 PSI

Delaware River Unit #2
 1980' FNL & 990' FWL
 Sec. 11, T26S-R28E
 Eddy County, NM

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Sent To: Delaware Ranch, Inc.
 Street, Apt. No., or PO Box No.: 706 Riverside Dr.
 City, State, ZIP+4: Carlsbad, NM 88220

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Sent To: The Allar Company
 Street, Apt. No., or PO Box No.: P.O. Box 1567
 City, State, ZIP+4: Graham, TX 76450

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
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Sent To: Chesapeake Exploration, LLC
 Street, Apt. No., or PO Box No.: P.O. Box 18469
 City, State, ZIP+4: Oklahoma City, OK 73154

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Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.49	

Sent To: Featherstone Development Corp
 Street, Apt. No., or PO Box No.: 400 N. Pennsylvania #850
 City, State, ZIP+4: Roswell, NM 88201

PS Form 3800, August 2006 See Reverse for Instructions

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ARTESIA NM 88211-0227

Postage	\$ 1.39	
Certified Fee	\$2.80	
Return Receipt Fee (Endorsement Required)	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.49	

Sent To: Marbob Energy Corp.
 Street, Apt. No., or PO Box No.: P.O. Box 227
 City, State, ZIP+4: Artesia, NM 88211-0227

PS Form 3800, August 2006 See Reverse for Instructions

Delaware River Unit #2
1980' FNL & 990' FWL
Sec. 11, T26S-R28E
Eddy County, NM

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Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.49

06/10/2010

Sent To: Yates Petroleum Corp.
Street, Apt. No., or PO Box No.: 105 S. 4th St.
City, State, ZIP+4: Artesia, NM 88210

PS Form 3800, August 2006 See Reverse for Instructions

Injection Permit Checklist (07/9/2010)

WFX _____ PMX _____ SWD 1228 Permit Date 7/11/10 UIC Qtr (GAS)

Wells 1 Well Name(s): Delaware River UNIT #2

API Num: 30-0 15-24784 Spud Date: 3/11/84 New/Old: N (UIC primacy March 7, 1982)

Footages 1980 FNL/990 FWL Unit E Sec 11 Tsp 265 Rge 28E County EDDY

General Location: _____

Operator Mosquito SWD, INC. Contact Kay Hawener

OGRID: 16 1868 RULE 5.9 Compliance (Wells) 1/18 (Finan Assur) _____ IS 5.9 OK? _____

Well File Reviewed _____ Current Status: Perfs 4467-4482, 4601-4609, P&A

Planned Work to Well: _____

Diagrams: Before Conversion After Conversion Elogs in Imaging File: _____

Well Details:	Hole.....Pipe		Setting	Stage	Cement	Cement Top and
			Depths	Tool	Sx or Cf	Determination Method
New <input type="checkbox"/> Existing <input checked="" type="checkbox"/> Surface	<u>17 1/2</u>	<u>13 1/2</u>	<u>401</u>	<u>-</u>	<u>475</u>	<u>0IRC</u>
New <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> Interm	<u>12 1/4</u>	<u>8 5/8</u>	<u>2459</u>		<u>200</u>	<u>1514</u>
New <input checked="" type="checkbox"/> Existing <input checked="" type="checkbox"/> LongSt	<u>7 7/8</u>	<u>5 1/2</u>	<u>4954</u>		<u>775</u>	<u>2200</u>
New <input type="checkbox"/> Existing <input type="checkbox"/> Liner			<u>4954 TD</u>			
New <input type="checkbox"/> Existing <input type="checkbox"/> OpenHole						

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above			
Injection TOP:	<u>2642</u>	<u>Bell C.</u>	Max. PSI <u>528</u> OpenHole _____ Perfs <input checked="" type="checkbox"/>
Injection BOTTOM:	<u>4934</u>	<u>Cherry C.</u>	Tubing Size <u>3 1/2</u> Packer Depth <u>2600</u>
Formation(s) Below			

See SWD-1205 for offset well

Gapitan Reef? _____ Potash? _____ Noticed? _____ [WIPP? _____ Noticed? _____] Salado Top/Bot _____ Cliff House? _____

Fresh Water: Depths: 0-300' Formation QAL Wells? Analysis? Affirmative Statement

Disposal Fluid Analysis? Sources: DEL/BS.

Disposal Interval: Analysis? _____ Production Potential/Testing: _____

Notice: Newspaper Date 6/13/10 Surface Owner Delaware Ranch, Inc. Mineral Owner(s) F&W BEM

RULE 26.7(A) Affected Persons: Chesapeake / YPC / marbot / Perimeter / (A) / Allco.

AOR: Map? Well List? Active Wells 1 Producing in Interval? No Repairs 0 Which Wells? _____

.....P&A Wells 1 Diagrams? Repairs 0 Which Wells? _____

Questions: Sand Production Part of old completion Request Sent _____ Reply: _____