4.12.11		WJ	4.12.11	TYPE SWD	PIGW 1110256136

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

Mesquite SWD 161968
RECEIVED OCD

ABOVE THIS LINE FOR DIVISION USE ONLY

Cedar Lake 36 State Com #31
30-015-~~21469~~ 36405

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

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

Eddy
State

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 X 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] **X** Offset Operators, Leaseholders or Surface Owner

[C] **X** Application is One Which Requires Published Legal Notice

[D] **X** 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

[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	Kay Havenor	Agent	4/7/2011
Print or Type Name	Signature	Title	Date

KHavenor@georesources.com
e-mail Address

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance ____X____Disposal _____Storage
Application qualifies for administrative approval? _____Yes _____No

II. OPERATOR: Mesquite SWD, Inc.

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

CONTACT PARTY: Kay Havenor PHONE: 575-626-4518

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 C Havenor DATE: April 6, 2011

E-MAIL ADDRESS: KHavenor@georesources.com

* 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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Mesquite SWD, Inc.

WELL NAME & NUMBER: Cedar Lake 36 State No. 1 30-015-30405

WELL LOCATION: 1980 FSL & 1650 FWL | K | 36 | 17S | 30E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

See attached diagram

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 14-3/4" Casing Size: 11-3/4" 42#

Cemented with: 665 sx. ***or*** _____ ft^3

Top of Cement: Surface Method Determined: Circ 56 sx

Intermediate Casing

Hole Size: 11" Casing Size: 8⅝" 32#

Cemented with: 1350 sx. ***or*** _____ ft^3

Top of Cement: Surface Method Determined: Circ 240 sx

Production Casing PROPOSED

Hole Size: 7⅞" Casing Size: 7" 23/26# K/N-80 Extreme

Cemented with: _____ sx. or 1400 _____ ft^3

Top of Cement: Estimate 3600' Method Determined: _____

Total Depth: 11750' TVD 11750'

Injection Interval

8500' To 9191' feet

(Perforated or Open Hole; indicate which) Perforated

INJECTION WELL DATA SHEET

Tubing Size: 3-1/2" 9.3# N-80 Lining Material: Fiberglass coated

Type of Packer: Lok-Set

Packer Setting Depth: Approx 8450 ft

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

Additional Data

1. Is this a new well drilled for injection? _____Yes ___X__No

   If no, for what purpose was the well originally drilled? Oil/gas

2. Name of the Injection Formation: Wolfcamp

3. Name of Field or Pool (if 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. Plugging details listed below in Item VI (a).

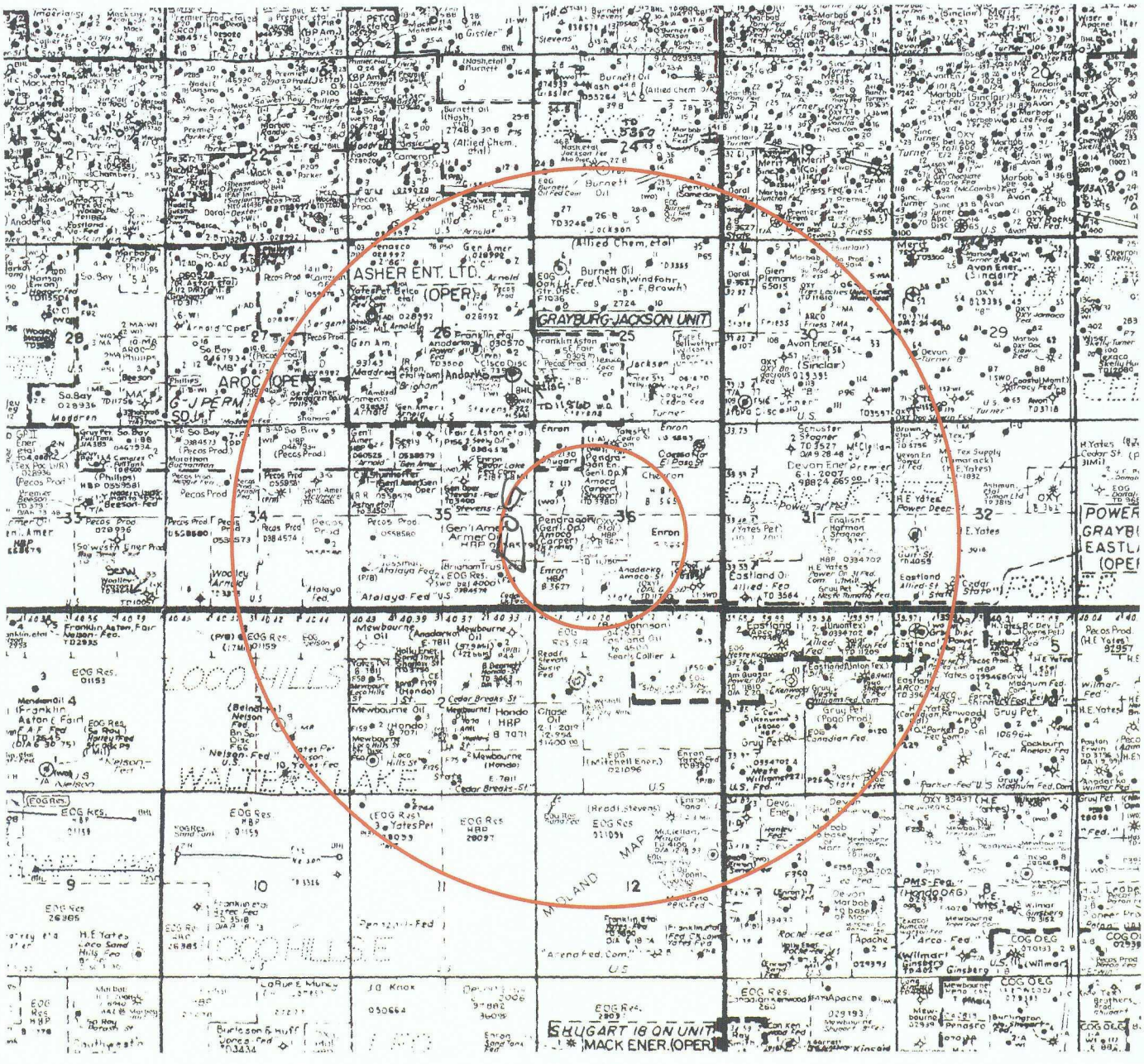
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Grayburg-Jackson 7-Rivers, Queen, Grayburg, San Andres and Loco Hills Glorieta-Yeso above 6000', Loco Hills Atoka and Cedar Lake Morrow below 10,500'

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Item V:

Area of Review
½ Mile AOR and 2 Mile Radius

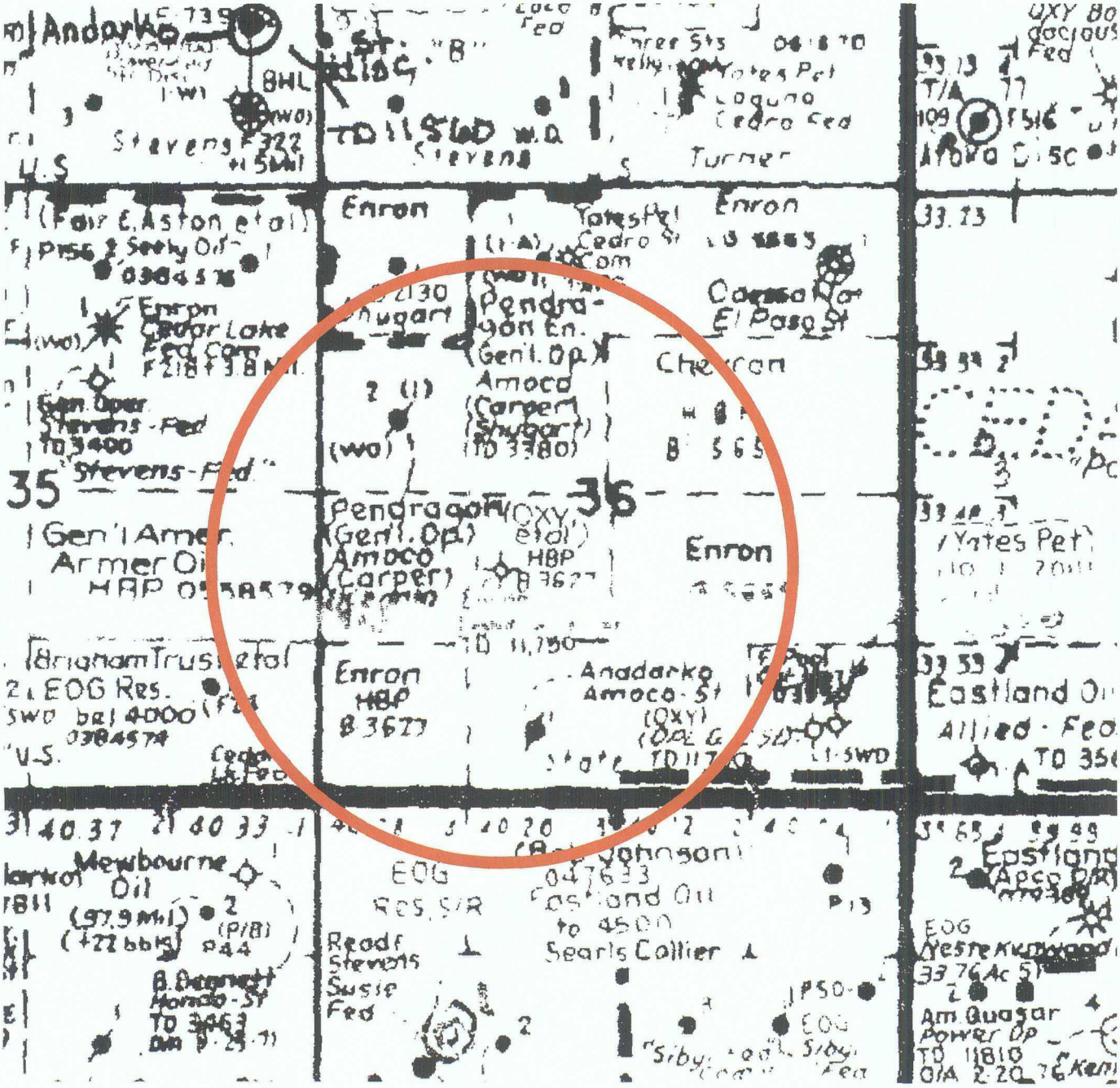


Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Item V (a):

Area of Review
½ Mile AOR



Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Item VI: Data on wells in AOR:

API	WELL_NAME	STATUS	UL	SEC	TOWN	RANG	FTG	NS	FTG	EW	OPERATOR	LAND	TYPE	PLUG_DATE	SPUD_DATE	ELEVGL	TVD	Highest Perf
3001504451	AMOCO STATE 002	Plugged	E	36	17.0S	30E	1980	N	660	W	PENDRAGON ENERGY	S	O	02-Feb-01	8/27/1943	3605	3420	3065
3001530405	CEDAR LAKE 36	Plugged	K	36	17.0S	30E	1980	S	1650	W	EOG RESOURCES INC	S	G	02-Nov-98	03-Oct-98	3585	11750	None
3001525961	AMOCO ST 001	Plugged	N	36	17.0S	30E	660	S	1980	W	ANADARKO	S	O	07-Nov-88	22-Aug-88	3592	3540	3197

Item VI(a): Construction of wells in the AOR that penetrate into the proposed injection interval:

1. 3001530405 EOG Resources, Inc. Cedar Lake 36 Federal Com #1. OCD Unit K, Sec. 36, T17S-30E 1980' FSL & 1650' FWL. Spud 10/3/1998. 11-3/4" 42# @665' w/425 sxs cmt. Circ 56 sxs to surface. 8-5/8" 32# @4,449' w/1350 sxs cmt, circ 240 sxs. TD 11,750'. 25 sx plug @11,244', 25 sxs @10660', 25 sxs @ 8,506'. 25 sxs 6,700'. 25 sxs 3,967'-4,067' (8-5/8" shoe) tagged @3,991'. 100' plug 1,310-1,410' tagged @ 1,310'. 30 sxs @712' tagged @ 316'. 20 sxs @60' to surface. P&A 11/2/1998.

Item VI(b): All known wells in the AOR that penetrate the proposed injection interval are labeled in red.

API	WELL_NAME	STATUS	UL	SEC	TOWN	RANG	FTG	NS	FTG	EW	OPERATOR	LAND	TYPE	PLUG_DATE	SPUD_DATE	ELEVGL	TVD	Highest Perf
3001504451	AMOCO STATE 002	Plugged	E	36	17.0S	30E	1980	N	660	W	PENDRAGON ENERGY	S	O	02-Feb-01	8/27/1943	3605	3420	3065
3001530405	CEDAR LAKE 36	Plugged	K	36	17.0S	30E	1980	S	1650	W	EOG RESOURCES INC	S	G	02-Nov-98	03-Oct-98	3585	11750	None
3001525961	AMOCO ST 001	Plugged	N	36	17.0S	30E	660	S	1980	W	ANADARKO	S	O	07-Nov-88	22-Aug-88	3592	3540	3197

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Item VII:

1. The maximum injected volume anticipated is 10,000 BWPD. Average anticipated is 7,000 BWPD.
2. Injection will be through a closed system.
3. Maximum injection pressure is expected to be 1,700 psi.
4. Sources will be produced water. These will be compatible with waters in the disposal zone.
5. Water sample analysis from the Enervest Operating, LLC Cedar Lake ADI Federal #1, Sec. 24, T17S-R30E, Eddy Co., NM, API 30-015-25494, Loco Hills Atoka. (Source: NM WAIDS):

NM WAIDS

DATA MAPS HOME SCALE CORROSION

Water Samples for Well CEDAR LAKE ADI FEDERAL 001
API = 3001525494
Formation = ATOKA
Field = LOCO HILLS
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
☐	5959	17S	30E	26	2	35784	null	451		null	null	3640	342

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Item VIII:

The Wolfcamp carbonates in this area are believed to have been diagenetically dolomitized. Such carbonate alteration often results in enhanced porosity. Testing, in Nadel and Gussman Permian, LLC Atalaya Federal No. 1, Sec. 26, T17S-R30E, confirms water in those carbonates. The Wolfcamp formation is overlain and underlain by bounding shales and carbonates of the Abo and Cisco, respectively, that essentially prevent vertical migration of formation or disposal waters.

New Mexico Office of the State Engineer

Wells with Well Log Information

No wells found.

Basin/County Search:

Basin: Capitan

UTM NAD83 Radius Search (in meters):

Easting (X): 592260 Northing (Y): 3628830 Radius: 3300

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.

3/8/11 3:31 PM Page 1 of 1 WELLS WITH WELL LOG INFORMATION

The surface geology of the greater area, including the 2-mile radius as shown in Item V above, is Quaternary eolian and piedmont deposits of Holocene to middle Pleistocene age. These are underlain by the Permian Rustler Formation and some evaporites. The top of the Yates Formation of the Artesia Group is at 1,465'. 8-5/8" csg set @4,012' has cement circulated to the surface.

Item IX:

Acidize perforations in the Wolfcamp between 8,500' and 9,191.' in 7" casing with approximately 20,000 gal of 20% HCl.

Item X:

Logs are on file with the OCD.

Item XI:

No water wells are reported the 2-mile area. Please not Item VIII above.

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.

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Plug and Abandon Diagram

API: 3001530405
Operator: EOG Resources, Inc.
Lease: Cedar Lake 36 State Com
Location: Sec 36, T17S-R30E Eddy Co., NM
Footage: 1980 FSL, 1650 FWL

Well No: 1

KB: 3626
GL: 3606

Surface Csg

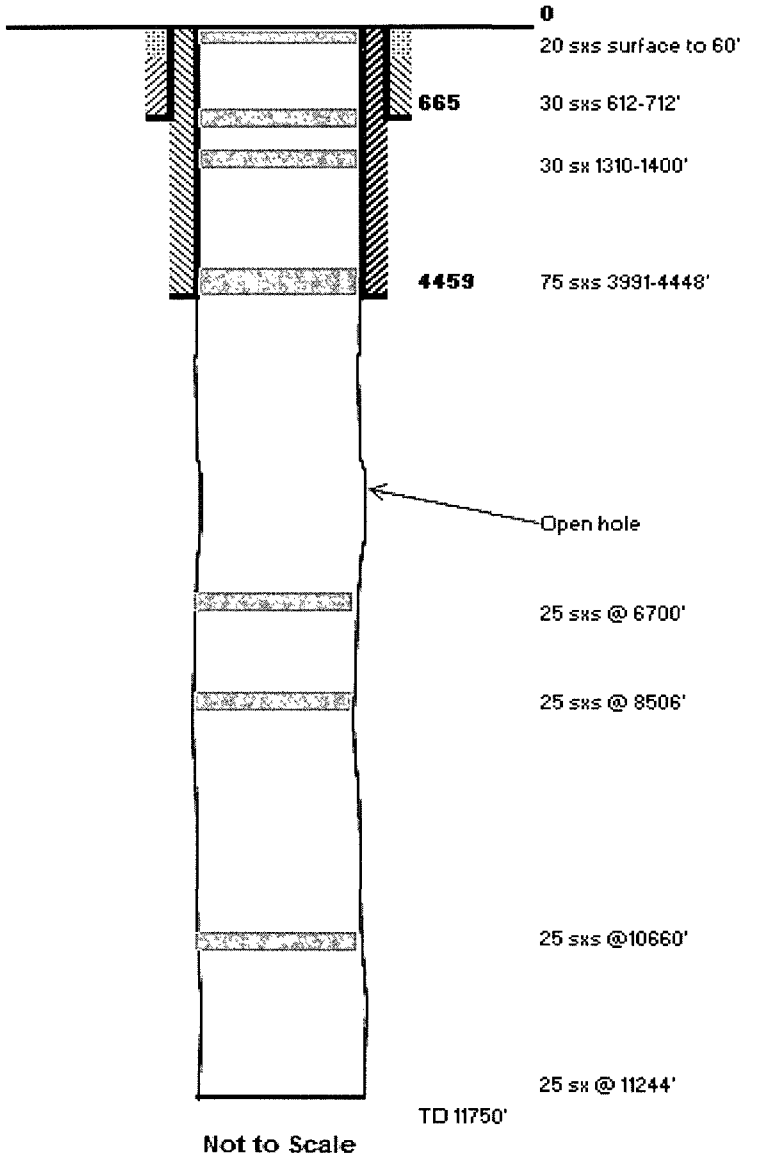
Size:	11-3/4" 42# H-40 STC
Set @:	665
Sxs cmt:	425
Circ:	56 sxs
TOC:	Surface
Hole Size:	14-3/4"

Intermediate Csg

Size:	8-5/8" 32# STC
Set @:	4459
Sxs cmt:	1350
Circ:	240 sxs
TOC:	Surface
Hole Size:	11"

Production Csg

Size:	None
Set @:	
Sxs cmt:	
Circ:	
TOC:	
Hole Size:	7-7/8"



Not to Scale

Note: C-103's show 8-5/8" csg @ 4459'. Logs show csg @ 4012'.

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Proposed re-entry and SWD completion

Re-entry - Completion Diagram

API: 3001530405
Operator: EOG Resources, Inc.
Lease: Cedar Lake 36 State Com
Location: Sec 36, T17S-R30E Eddy Co., NM
Footage: 1980 FSL, 1650 FWL

Well No: 1

KB: 3626
GL: 3606

Surface Csg
Size: 11-3/4" 42# H-40 STC
Set @: 665
Sxs cmt: 425
Circ: 56 sxs
TOC: Surface
Hole Size: 14-3/4"

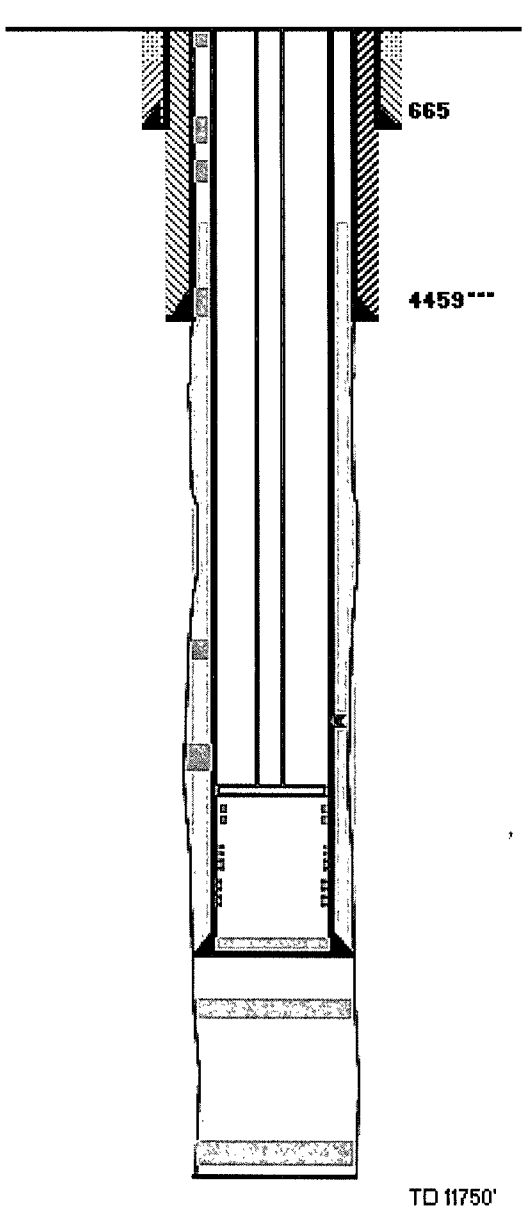
Intermediate Csg
Size: 8-5/8" 32# STC
Set @: 4459
Sxs cmt: 1350
Circ: 240 sxs
TOC: Surface
Hole Size: 11"

Production Csg Proposed
Size: 7" 23/26# K-80-N-80*
Set @: 9300
Cf cmt: 250 cf 1st, 1150 cf DV
Circ: No
TOC: Estimate 3600'
Hole Size: 7-7/8"

* 7" Extreme line.

Tubular requirements (made-up):
8450' 3-1/2" N80 9.3# upset Fiberglass coated
Lok-Set Packer set approx 8450'

Perf and acidized selectively
Load tubing annulus w/corrosion inhibitor
Complete surface head for disposal



0
Drill surface plug to 60'

665
DO cmt 612-712'

DO cmt 1310-1400'

Est Top 7" cmt 3600'
Test csg
4459*** DO cmt 3991-4448'
***Log depth csg @4012'

DO cmt @ 6700'

DV @ 8300'
DO cmt @ 8506'
Injection Packer +/- 8450'
on 3-12" injection tbg

Perfs (OA) 8500' - 9191'

CIBP + 25' cmt @9300

25 sxs @10660'

PB 25 sx @ 11244'

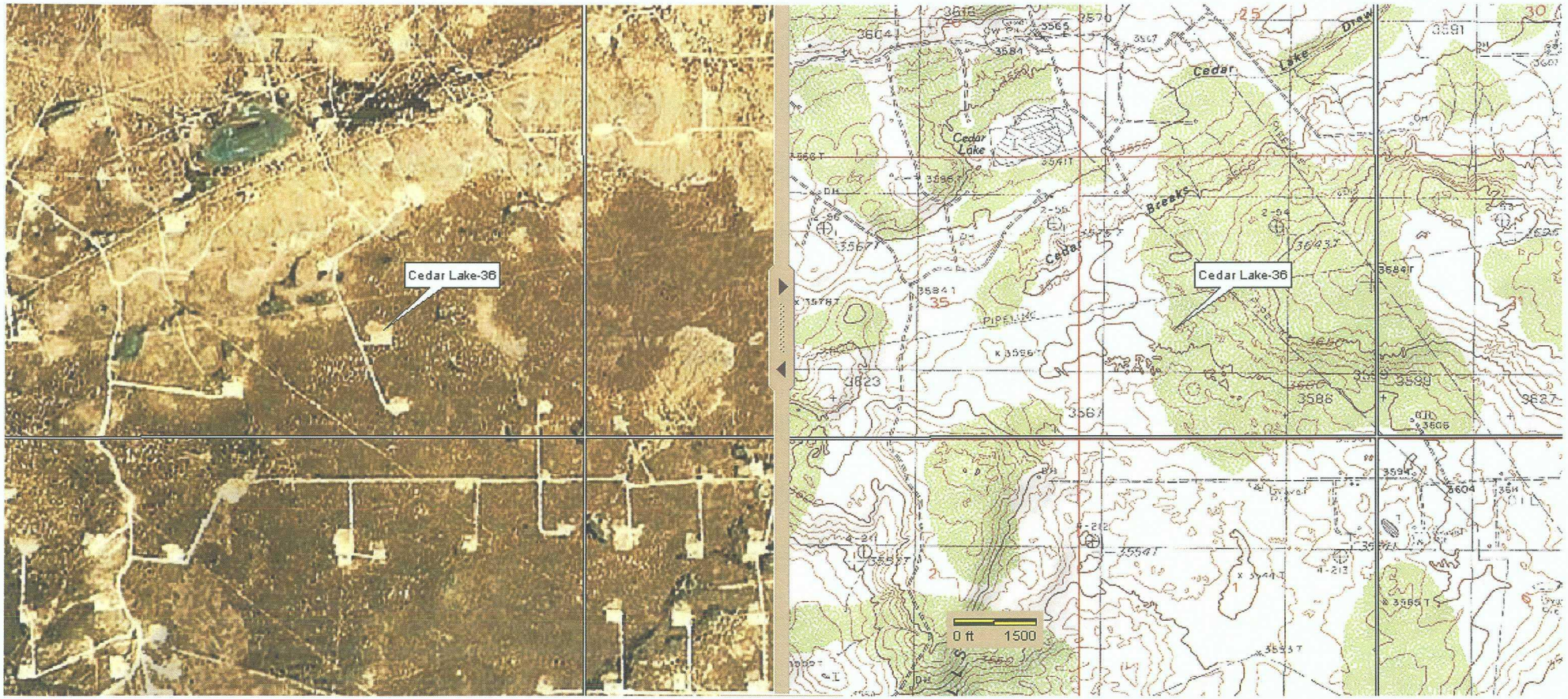
TD 11750'

Not to Scale

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

SPOT10 Satellite and Matching Topographic Map



Directions to location: From Loco Hills intersection of CR-217 and US-82 proceed east 2.35 miles, turn SSE (left road) for 1.1 miles (edge of Cedar Lake), continue SSE 0.6 miles to the end of road, turn SW for 0.1 miles, then SE for 0.2 miles to pad access on left (east). Total 4.35 miles.

Mesquite SWD, Inc. 161968
P.O. Box 1479
Carlsbad, NM 88221

Contact party: Kay Havenor 575-626-4518
KHavenor@georesources.com

C-108 Ancillary Data

1. API: 30-015-~~26969~~ 30405
2.. Original Lease Name: Cedar Lake 36 State Com #1 New name used here: Same w/o "Com"
3. Legal publication lay distance description: "4.0 miles southeast of Loco Hills intersection of CR-217 and US-82"
4. AOR data: All wells are shown in summary and detail in **Item VI:** Data on unplugged wells in AOR that penetrate proposed disposal zone:
    1. 3001530405 EOG Resources, Inc. Cedar Lake 36 Federal Com #1. OCD Unit K, Sec. 36, T17S-30E 1980' FSL & 1650' FWL. Spud 10/3/1998. 11-3/4" 42# @665' w/425 sxs cmt. Circ 56 sxs to surface. 8-5/8" 32# @4,449' w/1350 sxs cmt, circ 240 sxs. TD 11,750'. 25 sx plug @11,244', 25 sxs @10660', 25 sxs @ 8,506'. 25 sxs 6,700'. 25 sxs 3,967'-4,067' (8-5/8" shoe) tagged @3,991'. 100' plug 1,310-1,410' tagged @ 1,310'. 30 sxs @712' tagged @ 316'. 20 sxs @60' to surface. P&A 11/2/1998.
5. AOR well count as shown in **Item VI (b):** 3 (1 deep P&A (target), 2 shallower P&A).
6. P&A wells in AOR count: 3 (including target re-entry P&A 11/2/1998 - 2 max TD 3605').
7. List of formation tops applicable to AOR: Rustler 102, 1st salt 546, 2nd Salt 1448, Yates 1618, 7-Rivers 1995, Queen 2620, Grauburg 2945, San Andres 3405, Glorieta 4002, Wolfcamp 8455, Cisco 9458, Strawn 10,405 (EOG), Atoka 10,610, lower Morrow 11,750 (EOG).
8. Producing or non-P&A wells in proposed disposal AOR: Wells that penetrates proposed disposal interval: Only the target re-entry.
9. Is proposed SWD in a depleted zone/well? No.
10. Why is proposed interval non-productive? No production from this interval in greater AOR. Logs indicate porous zones water wet.
11. Notification and related acreage is shown in **Item XIII:**
    A-H Sec. 35 EOG
    I-P -Sec.. 35 EOG
    A-H Sec. 36 Enervest
    I-J Sec. 36 EOG
    K-L Sec. 36 OXY - possibly EOG deep rights
    M-O Sec. 36 EOG
    P Sec. 36 Yates
    B-D Sec. 1 EOG

    Target = K
12. Surface owner, as shown in Item XIII, is: State - minerals and surface
13. Rule 5.9 status of applicant: Financial status in compliance. Inactive wells include: 1 inactive
14: Location of well as to Potash or other sensitive areas: Not within R-111-P

Run 7" prod csg 3-1/2" tbg
Salt depths: 546' Base salt 1448'
Injection water type: 7Rv, Q, SA, Abo, Bone Springs. Commercial.
Hydrocarbon potential: Wolfcamp: Nil

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Item XIII:

Surface and Minerals Owner:

State Land Office, New Mexico
PO Box 1148
Santa Fe, NM 87504

Operators:

Enervest Operating, LLC
1001 Fannin St. Ste. 800
Houston, TX 77002

EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79701

OXY USA, Inc.
P.O. Box 4292
Houston, TX 77210

Yates Petroleum Corp.
105 S. 4th St.
Artesia, NM 88210

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Item XIII:

Legal Publication

Affidavit of Publication

NO. 21612

STATE OF NEW MEXICO

County of Eddy: Tim Menicutch

Tim Menicutch

being duly sworn, says that he is the **Editor**

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 April 7, 2011

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

7th day of April 2011

OFFICIAL SEAL
Danny Scott
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 3/18/2014

Danny Scott
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Mesquite SWD, Inc., c/o Kay Havenor, 904 Moore Ave, Roswell, NM 88201-1144, (575) 626-4518, is seeking approval from the New Mexico Oil Conservation Division to re-enter the EOG Resources, Inc., Cedar Lake 36 State Com No. 1 well API: 30-015-30405, located 1980 feet from the south line and 1650 feet from the west line of Section 36, T17S- R30E, Eddy County, NM, 4.0 miles southeast of Loco Hills intersection of CR-217 and US-82, and complete for commercial produced water disposal as the Mesquite SWD, Inc. Cedar Lake 36 State SWD No. 1.

The proposed disposal interval is the Wolfcamp formation through casing perforations approximately 8,500 feet to 9,190 feet (OA).

Mesquite SWD, Inc. plans to dispose of a maximum of 10,000 BWPD with a maximum pressure of 1,700 psi.

Parties with questions regarding this proposal can contact Kay Havenor at the address or phone number above.

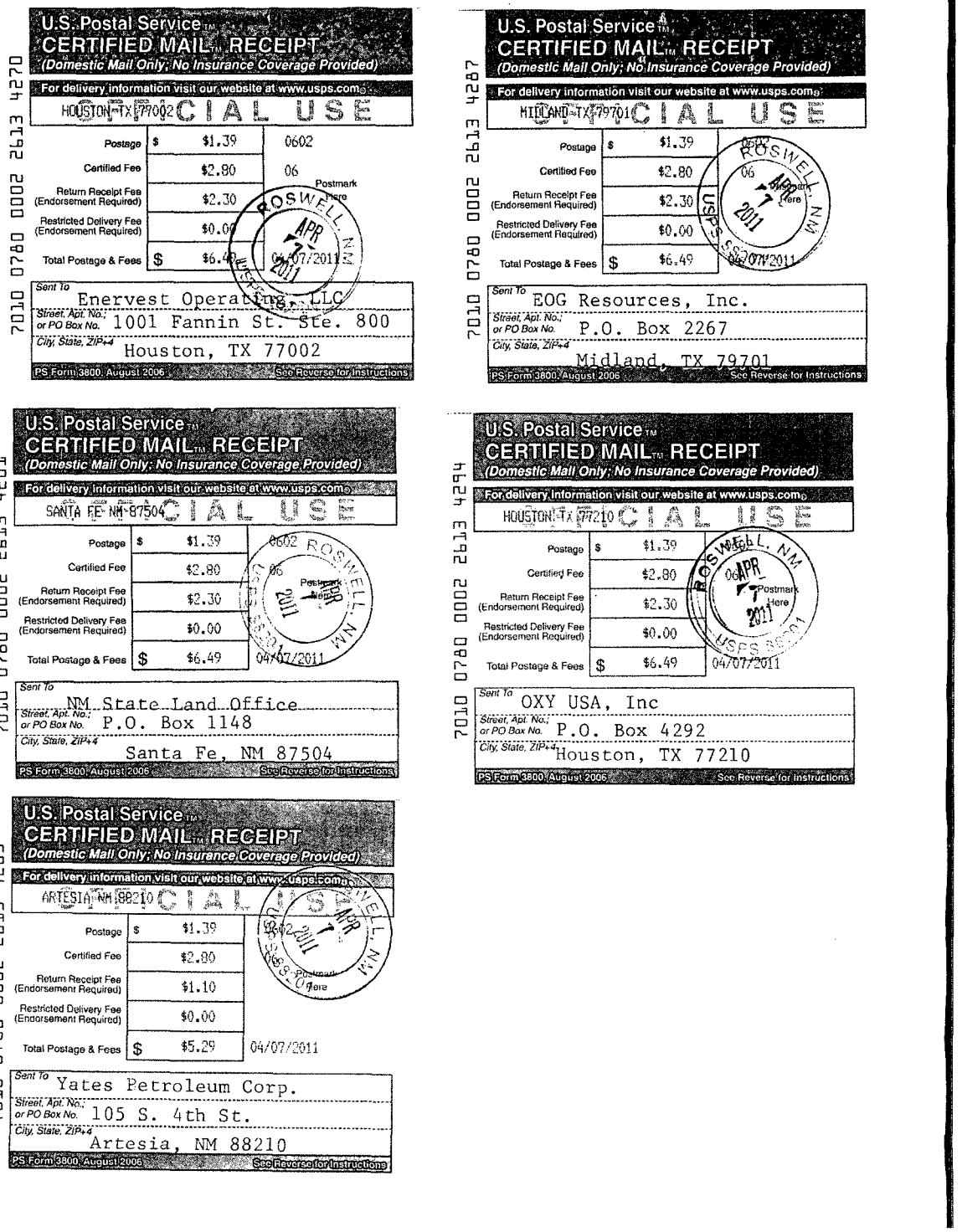
Interested parties must file objections or requests for hearing within 15 days of publication to the Oil Conservation Division: 1220 S. St. Francis Dr., Santa Fe, NM 87505. Published in the Artesia Daily Press, Artesia, N.M., April 7, 2011. Legal No. 21612.

Mesquite SWD, Inc.
Cedar Lake 36 State No. 1
1980' FSL & 1650' FWL
Sec. 36, T17S-R30E Eddy County, NM

API 30-015-30405

Item XIII:

Certified Mail Receipts



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7010 0780 0002 2613 4270

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7010 0780 0002 2613 4287

Sent To: EOG Resources, Inc.
Street, Apt. No., or PO Box No.: P.O. Box 2267
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7010 0780 0002 2613 4294

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Street, Apt. No., or PO Box No.: P.O. Box 4292
City, State, ZIP+4: Houston, TX 77210

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Restricted Delivery Fee (Endorsement Required)	$0.00
Total Postage & Fees	$ $5.29

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7010 0780 0002 2613 4263

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

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Injection Permit Checklist (11/15/2010)

WFX____ PMX____ SWD 1275 Permit Date 5/1/11 UIC Qtr A M J

Wells 1 Well Name(s): Cedar Lake 36 State #1

API Num: 30-0 15-30405 Spud Date: 6/3/98 New/Old: N (UIC primacy March 7, 1982)

Footages 1980 FSL/1650 FWL Unit K Sec 36 Tsp 17S Rge 30E County EDDY

General Location: 4mi SE of Loco Hills (GJ AREA)

Operator: Mesquite SWD, INC Contact Ky Hanson

OGRID: 161968 RULE 5.9 Compliance (Wells) Y/N (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed ✓ Current Status: P&A

Planned Work to Well: Reenter/clean EL 7" / perf / inj

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

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New __Existing ✓ Surface	14 3/4 11 3/4	665		665	CIRC
New__Existing ✓ Interm	11 8 5/8	~~4012~~		1350	CIRC
New ✓ Existing __ LongSt	7 7/8 ~~7 7~~	~~8300~~	8300	1400	≈3600'
New__Existing __ Liner	PLANNED NEW	11750 TD			
New__Existing __ OpenHole	clean out			9300'	

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above			
Injection TOP:	8500	WC	Max. PSI 1709 OpenHole___ Perfs ✓
Injection BOTTOM:	9191	WC	Tubing Size 3 1/2 Packer Depth ____
Formation(s) Below			

~~Capitan Reef?~~ ___ ~~(Potash? ___ Noticed? ___)~~ ~~[WIPP? ___ Noticed? ___]~~ Salado Top/Bot ~546'-~~ ~~1448'~~ ~~1618'~~ ~~Cliff House?~~ ___

Fresh Water: Depths:____ Formation ____ Wells? None Analysis? ___ Affirmative Statement ✓

Disposal Fluid Analysis? ✓ Sources: Commercial

Disposal Interval: Analysis? ✓ Production Potential/Testing: Wet (Calc)

Notice: Newspaper Date 4/7/11 ✓ Surface Owner SLO ✓ Mineral Owner(s) ✓

RULE 26.7(A) Affected Persons: EOG / Enervest / OXY / YPC

AOR: Maps? ✓ Well List? ✓ Producing in Interval? ✓ Wellbore Diagrams? —

.....Active Wells 0 Repairs? — WhichWells? —

.....P&A Wells 6 Repairs? — Which Wells? —

Issues: Request Sent ____ Reply: ____