

NM OIL CONSERVATION
ARTESIA DISTRICT

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 22 2019

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG RECEIVED

5. Lease Serial No.
NMNM0533177A

1a. Type of Well Oil Well Gas Well Dry Other: INJ
 b. Type of Completion New Well Work Over Deepen Plug Back Diff. Resvr.
 Other: SWD-1102

2. Name of Operator: MESQUITE SWD INC
 Contact: MELANIE WILSON
 E-Mail: mjp1692@gmail.com

3. Address: P O BOX 1479
 CARLSBAD, NM 88221
 3a. Phone No. (include area code)
 Ph: 575-914-1461

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface: NESE 2345FSL 660FEL
 At top prod interval reported below: NESE 2345FSL 660FEL
 At total depth: NESE 2345FSL 660FEL

6. If Indian, Allottee or Tribe Name
 7. Unit or CA Agreement Name and No.
 8. Lease Name and Well No.
 UBER EAST SWD 1
 9. API Well No.
 30-015-43806
 10. Field and Pool, or Exploratory
 SWD; DEVONIAN
 11. Sec., T., R., M., or Block and Survey
 or Area: Sec 24 T23S R31E Mer NMP
 12. County or Parish: EDDY
 13. State: NM
 14. Date Spudded: 10/10/2018
 15. Date T.D. Reached: 01/06/2019
 16. Date Completed: D & A Ready to Prod.
 01/11/2019
 17. Elevations (DF, KB, RT, GL)*
 3567 GL
 18. Total Depth: MD 17905, TVD 17905
 19. Plug Back T.D.: MD 17905, TVD 17905
 20. Depth Bridge Plug Set: MD, TVD
 21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
 CBL
 22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit analysis)
 Directional Survey? No Yes (Submit analysis)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
26.000	20.000 J55	94.0	0	1000		1670		0	
17.500	13.375 J55	68.0	0	4492		2430		0	
12.250	9.625 N80	53.5	0	11730	8368	2375		0	
8.500	7.625 P110	39.0	11250	16600		435		11250	??

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
7.000	0 - 11011	16575	5.500	11011 - 16575	16575			

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DEVONIAN (OH)	16600	17905				
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
	1st Injection - 1-18-2019

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production
			▶						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio		
			▶						

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production
			▶						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio		
			▶						

Pending BLM approvals will
subsequently be reviewed
and scanned
1/25/19

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #451188 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

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

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
UNKNOWN

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				WOLFCAMP	11684
				ATOKA	13672
				MORROW	14150
				BARNETT	15480
				MISSISSIPPIAN	15870
				WOODFORD	16475
				DEVONIAN	16584
				MONTOYA	17905

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

**Electronic Submission #451188 Verified by the BLM Well Information System.
For MESQUITE SWD INC, sent to the Carlsbad**

Name (please print) MELANIE WILSON Title REGULATORY ANALYST

Signature (Electronic Submission) Date 01/18/2019

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.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1602
December 1, 2015

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, R360 Permian Basin, LLC (the "operator") seeks an administrative order to authorize the Uber East SWD Well No. 1 located 2345 feet from the South line and 660 feet from the East line, Unit I of Section 24, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, for the commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rules 19.15.26.8B, NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required suspense 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, R360 Permian Basin, LLC (OGRID 289936), is hereby authorized to utilize its Uber East SWD Well No. 1 (API 30-015-pending) located 2345 feet from the South line and 660 feet from the East line, Unit I of Section 24, Township 23 South, Range 31 East, NMPM, Eddy County, for commercial disposal of oil field produced water (UIC Class II only) in the Devonian formation, through an open-hole interval from **16390 to 17500 feet**. Injection will occur through internally-coated, 4½-inch or smaller tubing and a packer set within 100 feet of the open-hole injection 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 completion and construction of the well as proposed in the application, and as modified by this Order.

This permit is limited as advertised to only the Devonian aged rocks and to the depths listed above. It does not permit disposal into deeper formations including the Ellenburger formation (lower Ordovician) or lost circulation intervals directly on top and obviously connected to that formation.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval.

Every casing string shall be cemented and circulated to the surface.

The operator shall run a CBL (or equivalent) across the 7-inch casing to surface to ensure good cement across the casing.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District II office and Santa Fe Engineering Bureau office.

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 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 3278 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 II 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 II

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 order 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/mam

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad
Application number - pMAM1531035509

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 10, 2017

Ms. Melanie Wilson
Mesquite SWD, Inc.
P. O. Box 1479
Carlsbad, NM 88220

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

Uber East SWD Well No. 1 (API 30-015-43806)

Unit I, Sec 24, T23S, R31E, NMPM, Eddy County, New Mexico

Order Date: December 1, 2015

Injection into Devonian formation; permitted interval: 16390 feet to 17500 feet

Dear Ms. Wilson:

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

It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. The additional evaluation for the extension included a review for the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership of affected persons notified for the original application.

The Division finds that granting this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment.

The deadline to commence injection for the existing order is hereby extended until December 1, 2018. All requirements of the above referenced administrative order and agreements in the application

SWD-1602: First Extension of Deadline to Commence Injection
Mesquite SWD, Inc.
November 10, 2017
Page 2 of 2

remain in full force and effect.

Sincerely,



DAVID R. CATANACH
Director

DRC/prg

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary Designate

Gabriel Wade, Acting Director
Oil Conservation Division



January 22, 2019

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

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

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

Dear Mr. Catanach:

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

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

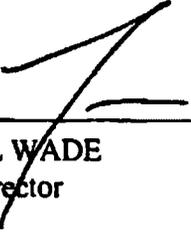
It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection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

SWD-1602: Second Extension of Deadline to Commence Injection
Mesquite SWD, Inc.
January 22, 2019
Page 2 of 2

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

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

Sincerely,



GABRIEL WADE
Acting Director

GW/prg

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

January 22, 2019

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

Attention: Mr. Gabriel Wade
Acting Division Director

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

**NM OIL CONSERVATION
ARTESIA DISTRICT**

JAN 22 2019

RECEIVED

Dear Mr. Wade,

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

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

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

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

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

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

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

Regards,

A handwritten signature in cursive script that reads "David Catanach". The signature is written in black ink and includes a long horizontal flourish at the end.

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

xc via E-Mail: OCD-Artesia