

| <b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br>Phone:(575) 393-6161 Fax:(575) 393-0720<br><b>District II</b><br>811 S. First St., Artesia, NM 88210<br>Phone:(575) 748-1283 Fax:(575) 748-9720<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br>Phone:(505) 334-6178 Fax:(505) 334-6170<br><b>District IV</b><br>1220 S. St Francis Dr., Santa Fe, NM 87505<br>Phone:(505) 476-3470 Fax:(505) 476-3462                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><b>Oil Conservation Division</b><br><b>1220 S. St Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | Form C-103<br>August 1, 2011<br>Permit 249345<br><hr/> WELL API NUMBER<br>30-015-44602<br><hr/> 5. Indicate Type of Lease<br>P<br><hr/> 6. State Oil & Gas Lease No.<br><br><hr/> 7. Lease Name or Unit Agreement Name<br>VL SWD |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
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| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                               |                                                                                                                                                                                                                                  |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 1. Type of Well:<br>S                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                               | 8. Well Number<br>001                                                                                                                                                                                                            |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 2. Name of Operator<br>MESQUITE SWD, INC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                               | 9. OGRID Number<br>161968                                                                                                                                                                                                        |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 3. Address of Operator<br>P.O. Box 1479 , Carlsbad , NM 88221                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                               | 10. Pool name or Wildcat                                                                                                                                                                                                         |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 4. Well Location<br>Unit Letter <u>I</u> : <u>2142</u> feet from the <u>S</u> line and feet <u>249</u> from the <u>E</u> line<br>Section <u>14</u> Township <u>24S</u> Range <u>28E</u> NMPM _____ County <u>Eddy</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                               |                                                                                                                                                                                                                                  |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>2965 GR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                               |                                                                                                                                                                                                                                  |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                               |                                                                                                                                                                                                                                  |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data<br><table style="width:100%;"> <tr> <td colspan="2" style="text-align: center;">NOTICE OF INTENTION TO:</td> <td colspan="2" style="text-align: center;">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                               |                                                                                                                                                                                                                                  | NOTICE OF INTENTION TO:                   |                              | SUBSEQUENT REPORT OF:      |                  | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |           | Other: _____ |      | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| NOTICE OF INTENTION TO:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                               | SUBSEQUENT REPORT OF:                                                                                                                                                                                                            |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| PERFORM REMEDIAL WORK <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | PLUG AND ABANDON <input type="checkbox"/>                                                                                                                                     | REMEDIAL WORK <input type="checkbox"/>                                                                                                                                                                                           | ALTER CASING <input type="checkbox"/>     |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| TEMPORARILY ABANDON <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | CHANGE OF PLANS <input type="checkbox"/>                                                                                                                                      | COMMENCE DRILLING OPNS. <input type="checkbox"/>                                                                                                                                                                                 | PLUG AND ABANDON <input type="checkbox"/> |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| PULL OR ALTER CASING <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | MULTIPLE COMPL <input type="checkbox"/>                                                                                                                                       | CASING/CEMENT JOB <input type="checkbox"/>                                                                                                                                                                                       |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| Other: _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                               | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/>                                                                                                                                                                |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions:<br>Attach wellbore diagram of proposed completion or recompletion.<br>See attached drilling summary<br>See Attached<br><u>1/14/2018</u> Spudded well.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                               |                                                                                                                                                                                                                                  |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| <b>Casing and Cement Program</b><br><table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>01/23/18</td> <td>Int1</td> <td>Brine</td> <td>17.5</td> <td>13.375</td> <td>54.5</td> <td>NE80</td> <td>0</td> <td>2635</td> <td>1430</td> <td>2.11</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>01/15/18</td> <td>Surf</td> <td>FreshWater</td> <td>26</td> <td>20</td> <td>94</td> <td>J55</td> <td>0</td> <td>254</td> <td>275</td> <td>1.34</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>02/01/18</td> <td>Prod</td> <td>CutBrine</td> <td>12.25</td> <td>9.625</td> <td>53.5</td> <td>P110</td> <td>0</td> <td>9872</td> <td>2075</td> <td>2.47</td> <td>H/C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>02/14/18</td> <td>Liner1</td> <td>CutBrine</td> <td>8.5</td> <td>7.625</td> <td>36</td> <td>P110</td> <td>9393</td> <td>14126</td> <td>200</td> <td>11.5</td> <td>C</td> <td></td> <td>0</td> <td>0</td> <td>N</td> </tr> </tbody> </table> |                                                                                                                                                                               |                                                                                                                                                                                                                                  | Date                                      | String                       | Fluid Type                 | Hole Size        | Csg Size                                       | Weight lb/ft                              | Grade                                  | Est TOC                               | Dpth Set                                     | Sacks                                    | Yield                                            | Class                                     | 1" Dpth                                       | Pres Held                               | Pres Drop                                  | Open Hole | 01/23/18     | Int1 | Brine                                                             | 17.5 | 13.375 | 54.5 | NE80 | 0 | 2635 | 1430 | 2.11 | C |  | 1500 | 0 | N | 01/15/18 | Surf | FreshWater | 26 | 20 | 94 | J55 | 0 | 254 | 275 | 1.34 | C |  | 1500 | 0 | N | 02/01/18 | Prod | CutBrine | 12.25 | 9.625 | 53.5 | P110 | 0 | 9872 | 2075 | 2.47 | H/C |  | 1500 | 0 | N | 02/14/18 | Liner1 | CutBrine | 8.5 | 7.625 | 36 | P110 | 9393 | 14126 | 200 | 11.5 | C |  | 0 | 0 | N |
| Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | String                                                                                                                                                                        | Fluid Type                                                                                                                                                                                                                       | Hole Size                                 | Csg Size                     | Weight lb/ft               | Grade            | Est TOC                                        | Dpth Set                                  | Sacks                                  | Yield                                 | Class                                        | 1" Dpth                                  | Pres Held                                        | Pres Drop                                 | Open Hole                                     |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 01/23/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Int1                                                                                                                                                                          | Brine                                                                                                                                                                                                                            | 17.5                                      | 13.375                       | 54.5                       | NE80             | 0                                              | 2635                                      | 1430                                   | 2.11                                  | C                                            |                                          | 1500                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 01/15/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Surf                                                                                                                                                                          | FreshWater                                                                                                                                                                                                                       | 26                                        | 20                           | 94                         | J55              | 0                                              | 254                                       | 275                                    | 1.34                                  | C                                            |                                          | 1500                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 02/01/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Prod                                                                                                                                                                          | CutBrine                                                                                                                                                                                                                         | 12.25                                     | 9.625                        | 53.5                       | P110             | 0                                              | 9872                                      | 2075                                   | 2.47                                  | H/C                                          |                                          | 1500                                             | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| 02/14/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Liner1                                                                                                                                                                        | CutBrine                                                                                                                                                                                                                         | 8.5                                       | 7.625                        | 36                         | P110             | 9393                                           | 14126                                     | 200                                    | 11.5                                  | C                                            |                                          | 0                                                | 0                                         | N                                             |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                               |                                                                                                                                                                                                                                  |                                           |                              |                            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| <table style="width:100%;"> <tr> <td>SIGNATURE</td> <td><u>Electronically Signed</u></td> <td>TITLE</td> <td><u>VP</u></td> <td>DATE</td> <td><u>4/8/2018</u></td> </tr> <tr> <td>Type or print name</td> <td><u>Clay Wilson</u></td> <td>E-mail address</td> <td><u>jneat12@gmail.com</u></td> <td>Telephone No.</td> <td><u>505-885-3996</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                               |                                                                                                                                                                                                                                  | SIGNATURE                                 | <u>Electronically Signed</u> | TITLE                      | <u>VP</u>        | DATE                                           | <u>4/8/2018</u>                           | Type or print name                     | <u>Clay Wilson</u>                    | E-mail address                               | <u>jneat12@gmail.com</u>                 | Telephone No.                                    | <u>505-885-3996</u>                       |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| SIGNATURE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>Electronically Signed</u>                                                                                                                                                  | TITLE                                                                                                                                                                                                                            | <u>VP</u>                                 | DATE                         | <u>4/8/2018</u>            |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| Type or print name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>Clay Wilson</u>                                                                                                                                                            | E-mail address                                                                                                                                                                                                                   | <u>jneat12@gmail.com</u>                  | Telephone No.                | <u>505-885-3996</u>        |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| <b>For State Use Only:</b><br><table style="width:100%;"> <tr> <td>APPROVED BY:</td> <td><u>Raymond Podany</u></td> <td>TITLE</td> <td><u>Geologist</u></td> <td>DATE</td> <td><u>4/9/2018 1:45:48 PM</u></td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                               |                                                                                                                                                                                                                                  | APPROVED BY:                              | <u>Raymond Podany</u>        | TITLE                      | <u>Geologist</u> | DATE                                           | <u>4/9/2018 1:45:48 PM</u>                |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |
| APPROVED BY:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>Raymond Podany</u>                                                                                                                                                         | TITLE                                                                                                                                                                                                                            | <u>Geologist</u>                          | DATE                         | <u>4/9/2018 1:45:48 PM</u> |                  |                                                |                                           |                                        |                                       |                                              |                                          |                                                  |                                           |                                               |                                         |                                            |           |              |      |                                                                   |      |        |      |      |   |      |      |      |   |  |      |   |   |          |      |            |    |    |    |     |   |     |     |      |   |  |      |   |   |          |      |          |       |       |      |      |   |      |      |      |     |  |      |   |   |          |        |          |     |       |    |      |      |       |     |      |   |  |   |   |   |

VL SWD #1  
API #30-015-44602  
Drilling Summary

01/14/2018 - Spud 26" hole @ 5:30 am

01/15/2018 - TD 26" hole @ 254'. Ran 20" 94# J-55 csg. Set @ 254'. Cmt w/275 sx Class "C" cmt w/PF-001. Yield 1.34. Circ 137 sx. WOC 18 hrs. Test csg to 1500# for 30 minutes. Held good.

01/23/2018 - TD 17 1/2" hole @2635'. Ran 13 3/8" 54.5# NE-80 BTC csg. Set @ 2635'. Cmt w/1050 sx lead, tail in w/380 sx, Class C cmt w/PF13 Retarder + 0.2% pf153 + 3#/sk pf42 + 0.125#/sk pf29 + 0.4#/sk pf45. Yield 2.11. Circ 3 sx. WOC 26 hrs. Test csg to 1500# for 30 minutes, held good.

01/31/2018 - TD 12 1/4" hole @ 9872'.

02/01/2018 – Ran 9 5/8" 53.5# P-110 BTU csg. Set 9 5/8" csg @ 9872'. DVT @ 2593'. Cmt Stage 1 w/ 1225 sx 50/50 P/H cmt w/5% salt, 10% gel, .2% Anti Setting Agent, .2% Retarder, 3# Kolseal, .40 Defoamer. Yield 2.47 Tail in w/300 sx Class H cmt w/.3% PF13 retarder, .3% PF606, .4 PF45, Yield 1.19. Cmt Stage 2 w/ lead 350 sx Class C w/4% gel, 1% CaCl, .125#/sk Celloflake, .4#/sk defoamer, Yield 2.47. Tail in w/200 sx. Class C Neat. Yield 1.32. Circ 136 sx off DVT and 68 sx on Stage 2. WOC 18 hrs. Test csg to 1500# for 30 minutes, held good.

02/13/2018 - TD 8 1/2" hole @ 14126'.

02/14/2018 – Ran 4733' 7 5/8" 39# P-110 PTF J-2/STL FJ csg. Liner 9393' – 14126'. Cmt liner w/200 sx Class C cmt w/D air 5000. Yield 11.5. Circ 5 sx. WOC 29 hrs.

02/17/2018 - TD 6 1/2" hole @15,215'. Ran OH logs.

02/19/2018 – Ran CBL. Set 7 5/8" x 4 3/4" x 4" 24-39# Dual Bore Permapac Incaloy 925 packer @ 14,113'. Released rig. WO tubing.

**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) 476-3470 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**

Comments

Permit 249345

**DRILLING COMMENTS**

|                                                                        |                          |
|------------------------------------------------------------------------|--------------------------|
| Operator:<br>MESQUITE SWD, INC<br>P.O. Box 1479<br>Carlsbad , NM 88221 | OGRID:<br>161968         |
|                                                                        | Permit Number:<br>249345 |
|                                                                        | Permit Type:<br>Drilling |

**Comments**

| Created By | Comment                                                                                                                                                                                | Comment Date |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| mwilson    |                                                                                                                                                                                        | 4/8/2018     |
| mwilson    | Drill 6.5" open hole section to 15,215'. Set 7 5/8" x 4 3/4" x 4" 24-39# Dual Bore Permapac Incaloy 925 packer @ 14,113'. Released rig. Waiting on tubing. TD 6.5" hole on 02/17/2018. | 4/8/2018     |