

7.17.10		wj	9.17.10	TYPE SWD	4026049164
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NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau
1220 South St. Francis Drive Santa Fe, NM 87505



MESQUITE

2010 SEP 17 1:15 PM Bran SWD # 1

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-25697

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

Application Acronyms:

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

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

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

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

Kay Havenor	<i>Kay Havenor</i>	Agent	9/9/2010
Print or Type Name	Signature	Title	Date
		KHavenor@georesources.com	
		e-mail Address	

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

Contact party: Kay Havenor 575-622-0283

C-108 Ancillary Data

1. API: 30-015-25697
- 2.. Original Lease Name: Bran SWD #1 New name used here: No
3. Legal publication lay distance description: 35 miles west of Jal, NM
4. AOR data: All wells are shown in summary and detail in **Item VI:** Data on wells in AOR
 - 1) 30-015-25697 Sonat Exploration Co., Bran SWD #1 Sec. P-11-T24S-R31E Spudded 12/26/1986, 8-5/8" @ 410' w/250 sxs circulated.. TD 6794. P&A 1/9/1987.
 - 2) 30-015-37607 Marbob Energy Corp., Seabisquit Federal Com #1, M-12-R24S-R31E Spudded 4/26/2010, 8-5/8" @ 853' w/750 sxs circulated. 7" to 9206' and 4306' of 5-1/2" to 13584' w/MD 13550' w/450 sxs circ from DVT @ 8425' and 800 sxs below. TOC temp survey @1000' TVD approx 8400'. Well completed as producer, but no perf/treatment data has been filed as of this date.
5. AOR well count as shown in **Item VI:** 2
6. P&A wells in AOR count: 1 (the target WO)
7. List of formation tops applicable to AOR:
T/Salado 1104', T/Salt 3010', B/Salt 3776', T/Lamar 4495', T/Bell Canyon 4595',
T/Cherry Canyon 5855'
8. Producing or non-P&A wells in proposed disposal AOR:
Marbob Unit M-Sec. 11, T24S-R31E - New Bone Springs well
9. Is proposed SWD in a depleted zone/well? No.
10. Why is proposed interval non-productive?
Log and tests show water wet.
11. Notification and related acreage is shown in **Item XIII:**
Chesapeake Sec. 11: S/2 NE/4, SE/4, Sec. 12: SW/4 NW/4, Sec. 14: N/2
Devon Sec. 11: E/2 SW/4
Marbob Sec 12: SW/4
Oxy Sec 14: All
12. Surface owner, as shown in Item XIII, is: BLM
13. Rule 5.9 status of applicant: Financial status in compliance. Inactive wells include: 1 inactive
- 14: Location of well as to Potash or other sensitive areas: NA

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: Mesquite SWD, Inc.

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

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

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes ☒ No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Kay Havenor TITLE: Agent

SIGNATURE: Kay Havenor DATE: 9/9/2010

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

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

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

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

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

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

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

XIV. PROOF OF NOTICE

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

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

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

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

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

INJECTION WELL DATA SHEET

OPERATOR: Mesquite SWD, Inc.
WELL NAME & NUMBER: Bran SWD No.1

WELL LOCATION: 660' FSL & 660' FEL UNIT LETTER P SECTION 11 TOWNSHIP 24S RANGE 31E
FOOTAGE LOCATION

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 12-1/4" Casing Size: 8-5/8" 24# J-55
Cemented with: 250 sx. or ft³
Top of Cement: Surface Method Determined: Circulated

See attached well diagram

Intermediate Casing

Hole Size: 7-7/8" Casing Size: 6" 18# J55
Cemented with: 1150 w/2 stages sx. or ft³
Top of Cement: Surface Method Determined: circ

Production Casing

Hole Size: 7-7/8" Casing Size:
Cemented with: sx. or ft³
Top of Cement: Method Determined:

Total Depth: 6794'

Injection Interval
4850 feet to 6794 feet Open Hole

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

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

Type of Packer: Lok-Set

Packer Setting Depth: Approx 4800 ft

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

Additional Data

1. Is this a new well drilled for injection? Yes X No

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

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

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

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

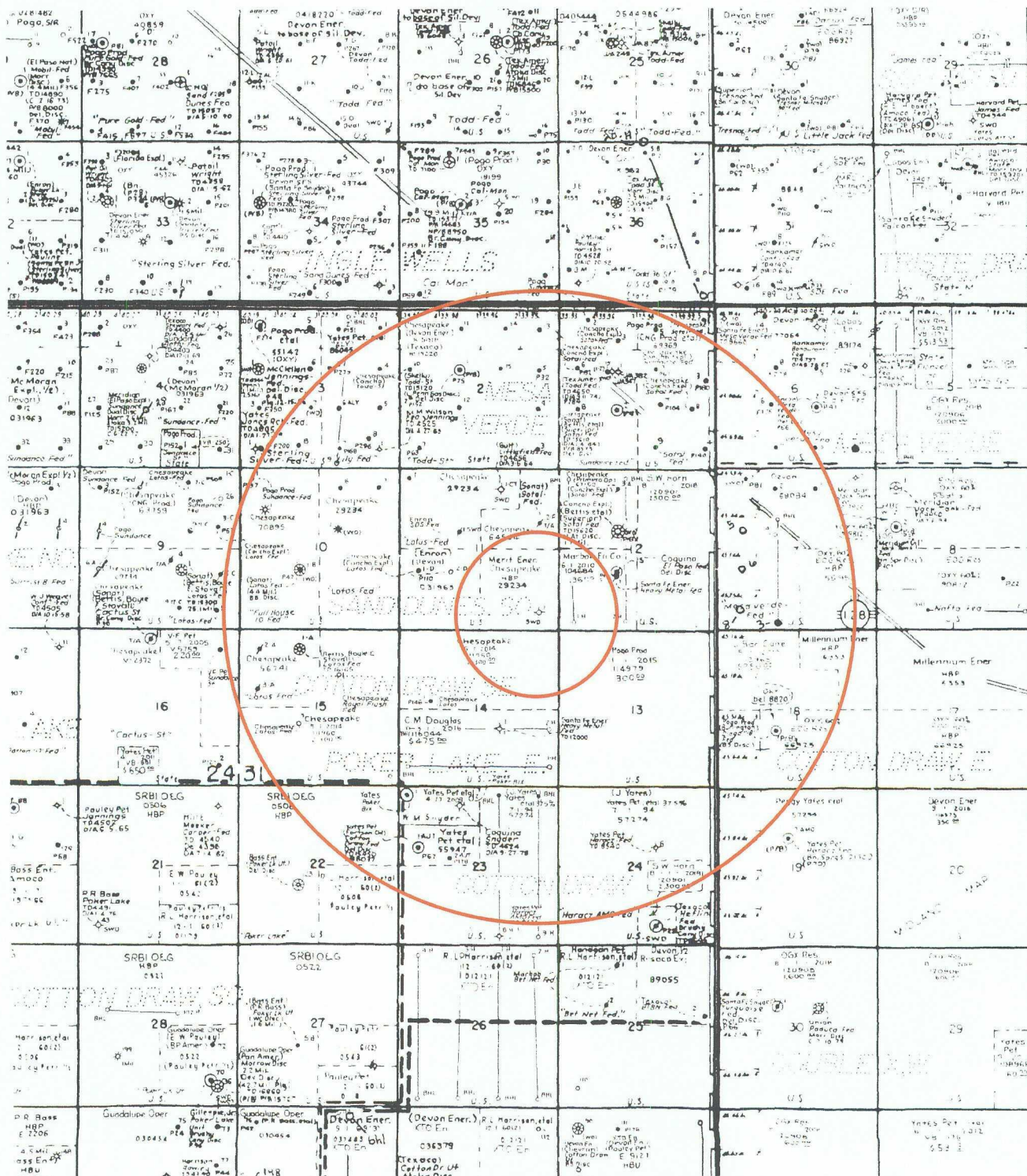
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: No Bell Canyon or Cherry Canyon (Delaware) productive in AOR.

Lower Brushy Canyon - upper Bone Spring productive in the area below 7000'.

Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Item V:

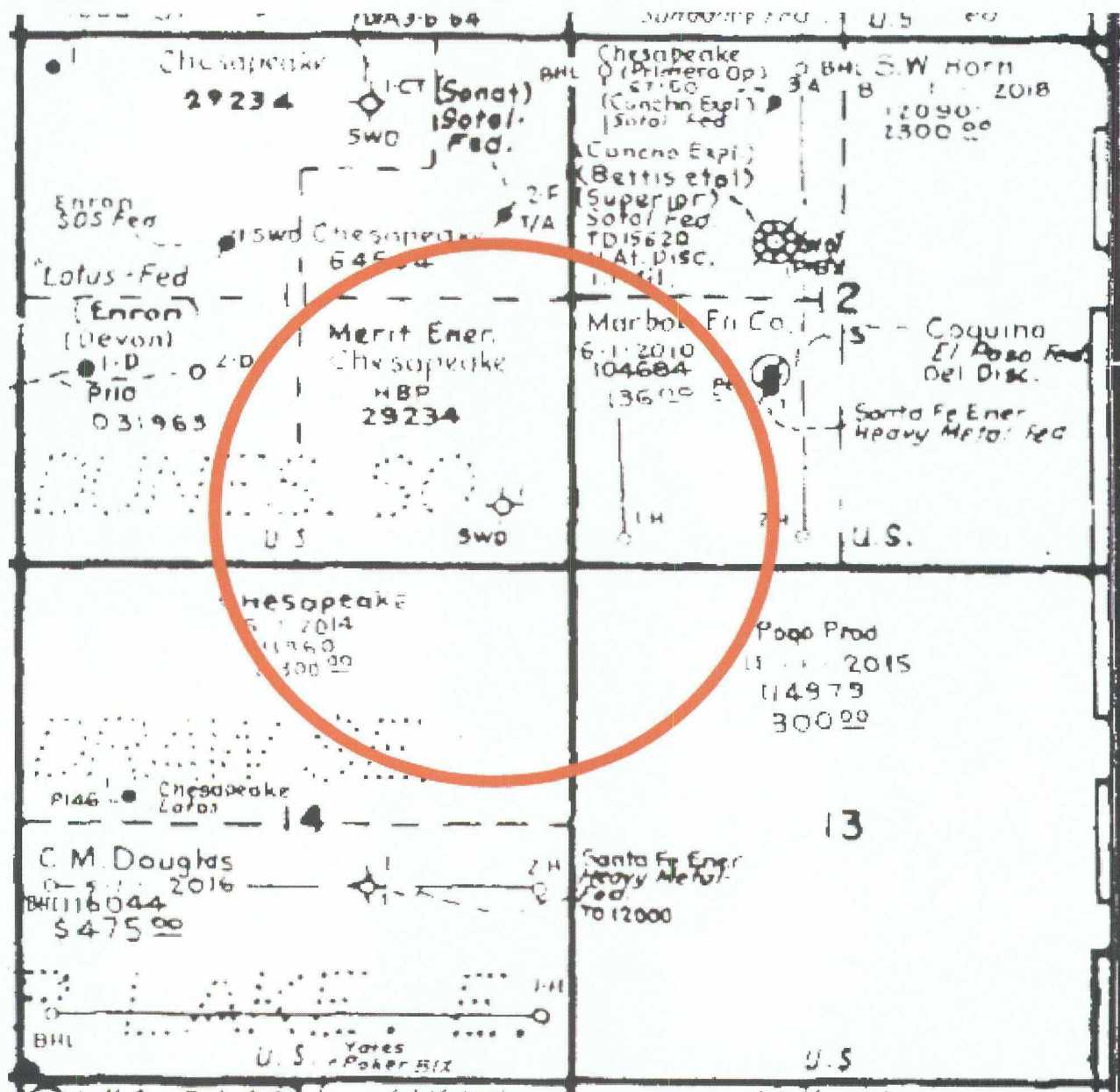
Area of Review
½ Mile AOR and 2 Mile Radius



Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Enlarged View of AOR
Centered in Unit P Sec. 11-T24S-R31E
Eddy Co., NM

Item V(a):



Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Item VI: Data on wells in AOR.

All Known Wells in AOR

API	WELL NAME	STATUS	UNIT	SEC	TOWNS	RANGE	NS	EW	OPERATOR	LAND	SPUD DATE	PLUG DATE	ELEV-GL	TVD_DEPTH	Highest Perf
1	3001525697 Sonat Exploration Co.	Plugged	P	11	24S	31E	660-S	660-E	Sonat Exploration Co.	Fed	12/26/1986	1/9/1987	3552	6794	none
2	3001537607 Seabisquit Federal Com #1	Active	M	12	24S	31E	330-S	530-W	Marbob Energy	Fed	4/26/2010		3559	8400	NR

Note 3001525697 Issued SWD permit SWD-649-0 on 12/10/1996. Well workover/re-entry never commenced.
This is the target re-entry

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

1. 30-015-25697 Sonat Exploration Co., Bran SWD #1 Sec. P-11-T24S-R31E Spudded 12/26/1986, 8-5/8" @ 410' w/250 sxs circulated.. TD 6794. P&A 1/9/1987. See plugging diagram.
2. 30-015-37607 Marbob Energy Corp., Seabisquit Federal Com #1, M-12-R24S-R31E Spudded 4/26/2010, 8-5/8" @ 853' w/750 sxs circulated. 7" to 9206' and 4306' of 5-1/2" to 13584' w/MD 13550' w/450 sxs circ from DVT @ 8425' and 800 sxs below. TOC temp survey @1000' TVD approx 8400'. Well completed as producer, but no perf/treatment data has been filed as of this date.

Item VII:

1. The maximum injected volume anticipated is 20,000 BWPD. Average anticipated is 15,000 BWPD.
2. Injection will be through a closed system.
3. Maximum injection pressure is expected to be 970 PSI.
4. Sources will be only produced water.
5. Water sample analysis Delaware Brushy Canyon 30-015-27276 Sec. 3, T24S-R31E, Eddy Co. See figure from WAIDS data base below.

Mesquite SWD, Inc.
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660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

NM WAIDS



Water Samples for Well LILY ALY FEDERAL 006

API = 3001527276

Formation = DEL

Field = INGLE WELLS

Current Water Production Information

Corrosion
Theory >
Equipment
Gases >
Prevention
References

Instructions:



Click

For general information about this sample.



Click

For scale calculation pages (Stiff-Davis or Odde Tomson methods).



Click

To select **this water sample** for water mixing. It will lead to the main page, and add the sample ID to the mixing table.

Click **664**

Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes and click

Submit

for multiple samples

The ions are in (mg/L) units.

SampleID	T	R	S	SO4	CL	CO3	HCO3	K	Na	Ca	Mg
----------	---	---	---	-----	----	-----	------	---	----	----	----

☐

6825



24S 31E 03 25

180198 null

159

null null

17720 1080

☐ SELECT/DESELECT ALL

Submit

Item VIII:

The surface of the area included in the 2-mile radius, as shown in Item V above, is Quaternary alluvium and Recent blow-sand deposited on Cretaceous/Triassic Dewey Lake redbeds to approximately 153'. No shallow samples have been found in the greater area to clearly define shallow tops. E-logs indicate the top of the Rustler Formation in the re-entry well is at 430'. The Rustler Formation extends down to 772' at the top of the Salado. The top of the salt is at 3010. Base of the salt is at 4268'. The lowermost heavy-bedded anhydrite beneath the salt is 226' thick. It is essentially non-porous, non-permeable and rests unconformably on the Delaware Mountain Group's Lamar Limestone at 4494'. The Delaware Mountain Group is comprised of three major sand-shale members: Bell Canyon, Cherry Canyon, and Brushy Canyon. In the subject re-entry well the top of the Bell Canyon is at 4,590' and is 1,264' thick. The top of the partially penetrated Cherry Canyon is at 5,854'. TD is 6,794'.

Virtually no groundwater data is available within the 2-mile radius study area. Texaco drilled a water supply well in 1995 in SE/NW4 Sec. 12, T24S-R31E, but all that is available is the water was to be used for drilling. No water wells are reported within a 2.5 mile radius by the USGS database. Within the 2-mile radius only one

Mesquite SWD, Inc.
Jack Tank SWD No. 3
660' FSL & 660' FEL
Bran SWD No. 1
Eddy County, NM

water well is reported in the New Mexico Office of the State Engineer's Waters database. That one well is located in SW/4 Sec. 2, T24S-R31E and is 2,280 km (1.4 mi) NNW of the subject re-entry. The well, C-2460, data shown below suggests it is a commercial well for drilling/oil field water supply.



New Mexico Office of the State Engineer Point of Diversion Summary

	(quarters are 1=NW 2=NE 3=SW 4=SE)		
	(quarters are smallest to largest)	(NAD83 UTM in meters)	
POD Number	Q64 Q16 Q4 Sec Tws Rng	X	Y
C 02460	3 02 24S 31E	617496	3568022*

Driller License: GLENN'S WATER WELL SERVICE

Driller Name: CORKY, GLENN

Source: Shallow

Drill Start Date: 08/25/1995

Drill Finish Date: 08/25/1995

Log File Date: 09/07/1995

PCW Received Date:

Pump Type:

Pipe Discharge Size:

Casing Size:

Estimated Yield: 7

Depth Well: 320 feet

Depth Water: 212 feet

Water Bearing Stratifications:	Top	Bottom	Description
	260	280	Shallow Alluvium/Basin Fill

In the original permit SWD-649-0 issued 12/10/1996 a water analysis was submitted for "Drinking water" reported taken from Sonat Exploration Todd "2" State Water Well No. 1. It is presumed the well was located in Sec. 2, T24S-R31E although the specific location was not reported in the SWD application. The analyses are shown below. This data is resubmitted from the SWD-649-0 application and is shown below.

Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Item VIII con't:

Todd "2" State Water Well No. 1

Martin Water Laboratories, Inc.

P. O. BOX 1468
MIDLAND, TEXAS 79706
PH 943-3234 OR 563-1040

709 W. INDIANA
MIDLAND, TEXAS 79701
PHONE 683-4521

RESULT OF WATER ANALYSES

TO: Mr. Selden Jones LABORATORY NO. 596167
110 W. Louisiana, Ste 500, Midland, TX 79701 SAMPLE RECEIVED 5-17-96
RESULTS REPORTED 5-23-96

COMPANY Sonat Exploration LEASE _____

FIELD OR POOL _____

SECTION _____ BLOCK _____ SURVEY _____ COUNTY Eddy STATE NM

SOURCE OF SAMPLE AND DATE TAKEN:

- NO. 1 Drinking water - taken from Todd fresh water well **WELL FILE**
NO. 2 Maximum contents for drinking water as recommended by the Texas Dept. of Health.
NO. 3 _____
NO. 4 _____

REMARKS:

CHEMICAL AND PHYSICAL PROPERTIES				
	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F	1.0020			
pH When Sampled				
pH When Received	6.57			
Bicarbonate as HCO ₃	239			
Supersaturation as CaCO ₃				
Undersaturation as CaCO ₃				
Total Hardness as CaCO ₃	334			
Calcium as Ca	69			
Magnesium as Mg	39			
Sodium and/or Potassium	110			
Sulfate as SO ₄	288	300		
Chloride as Cl	55	300		
Iron as Fe	0.52	0.3		
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	801	1,000		
Temperature °F				
Carbon Dioxide, Calculated				
Dissolved Oxygen				
Hydrogen Sulfide	0.0			
Resistivity, ohm/cm at 77° F.	9.73			
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				
Nitrate, as N	0.2	10.0		

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks Based on the determinations performed herein, we find this water exceeds State recommended maximum contents for drinking water in the level of iron only. It should be clarified that iron is a highly variable component due to corrosion and may not necessarily be consistently above the standard on the basis of this single analysis.

Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Item IX:

Acid wash of sand porosity zones between 4850' and 6794' may be attempted. No hydraulic fracturing is currently planned.

Item X:

Logs are on file with the OCD.

Item XI:

No fresh water wells have been found within the 1-mile radius of the project well. See Item VIII above.

Item XII:

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

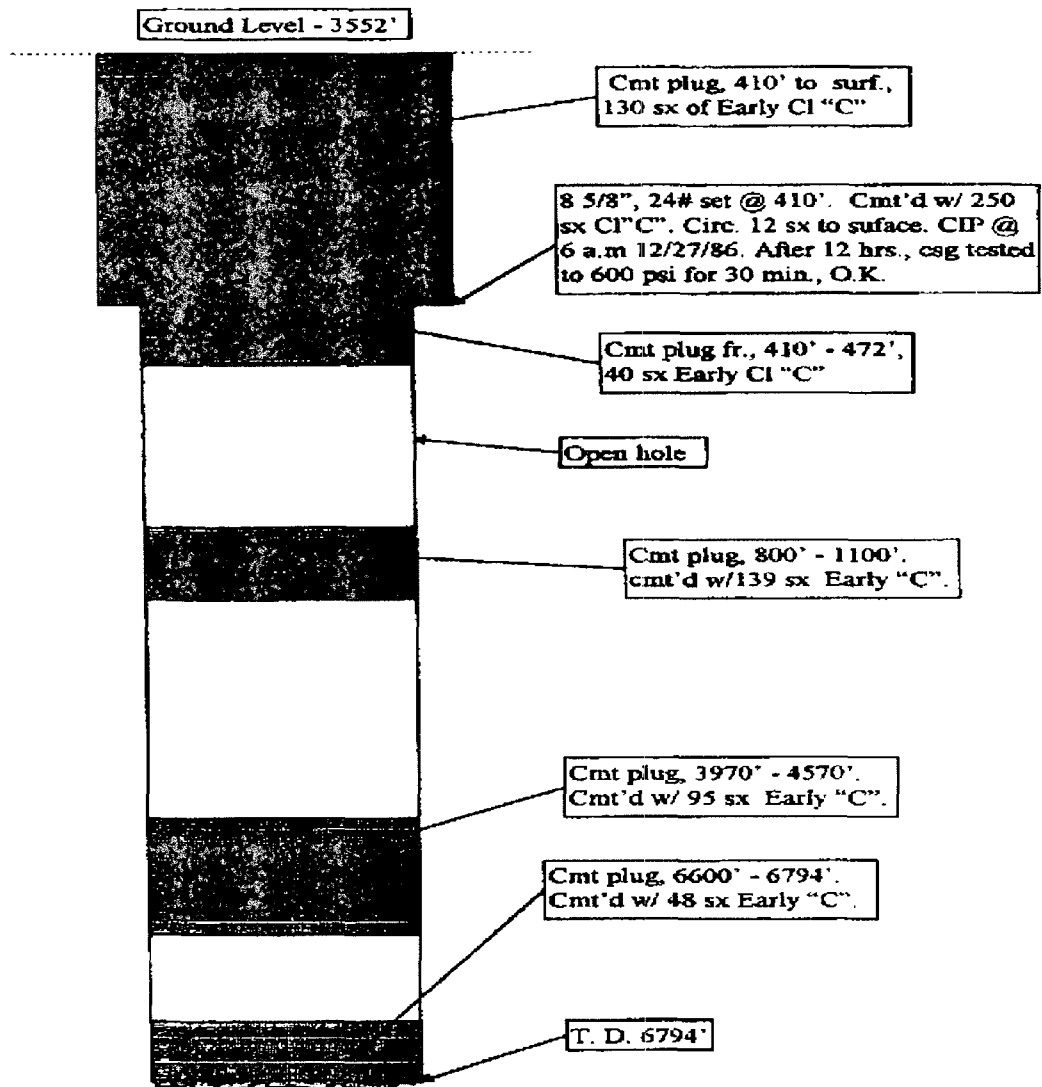
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Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Plugging diagram of original well as presented in SWD-649-0 issued 12/10/1996. This data compares to the well file data and plugging reports.

Present

BRAN-BETTIS FEDERAL #1
OPERATOR - BRAN OIL CORPORATION
660' FSL & 660' FEL, Section 11
T24S - R31E, NMPH
Eddy County, New Mexico

Spud - 12/26/86
P&A'D 1/9/87



Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Proposed re-entry and completion:

Intermediate casing (6") will be set at 4,850' as shown below. Top of Lamar Lime is at 4492'.

RE-ENTRY & COMPLETION WELL DIAGRAM

API: 3001525697
Operator: Mesquite SWD, Inc.
Lease: Bran SWD
Location: Sec 11, T24S-R31E Eddy Co., NM
Footage: 660 FSL, 660 FEL

Well No: 1

KB: 3562

GL: 3552

MSL of TD: -3232

Surface Csg

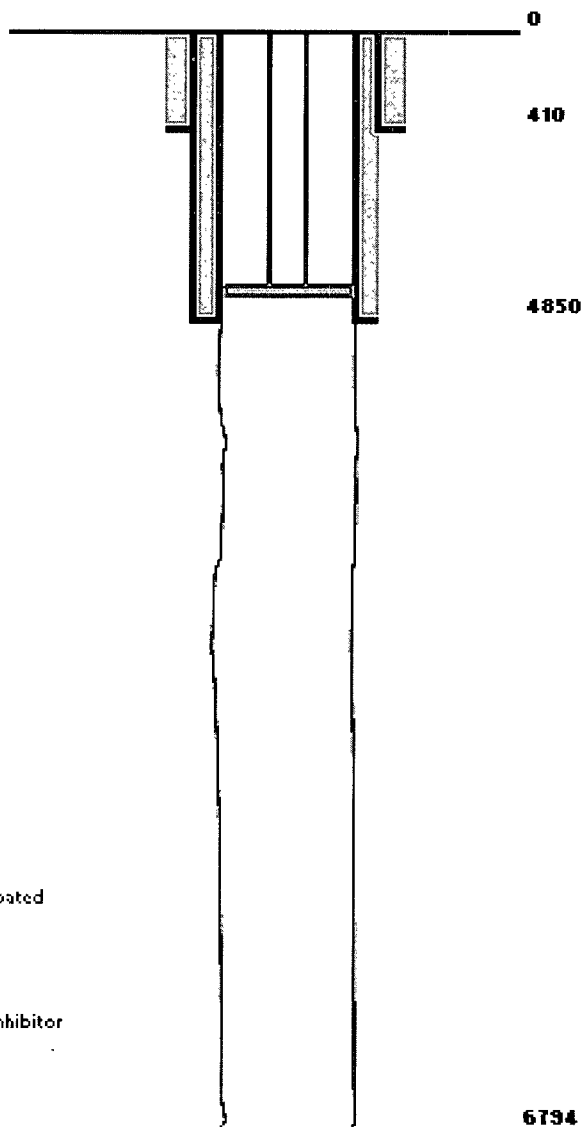
Size: 8-5/8"
Set @: 410
Sxs cmt: 250
Circ: Yes
TOC: Surface
Hole Size: 12-1/4"

Run Intermediate Csg

Size: 6"
Set @: 4850
Sxs cmt: Est 850
Circ: Yes
TOC: Surface
Hole Size: 7-7/8"

Tubular requirements (made-up):
4500' 3-1/2" N80 9.3# upset IPC 1810 coated
Lok-Set Packer set approx 4500

Acidized selectively in open hole
Load 3-1/2" tubing annulus w/corrosion inhibitor
Complete surface head for disposal



Drill-out cement thru 410'

Drill-out cement 800-1100'

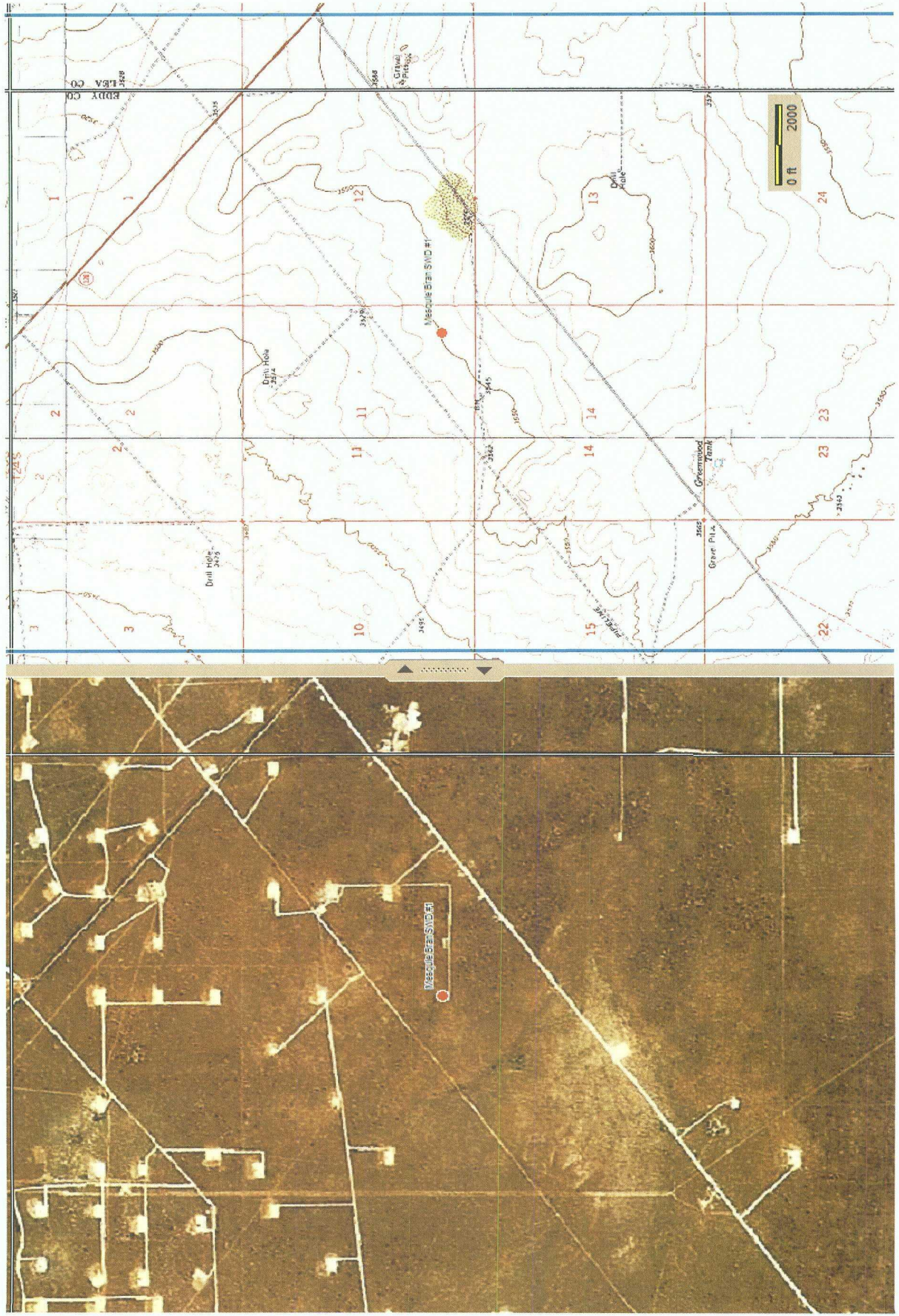
Drill-out cement 3970-4570'
Run 6" 18# J55 cement 2 stage to
circulate cement est 850 sxs
CO to 4800' test csg

Circ and clean-out
open hole to 6600'

DO cement plug 6600-6734'
Circ hole clean

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SPOT10 Satellite and Matching Topographic Map



Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Item XIII:

Notification List

Surface Owner:

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

Operators:

Chesapeake Operating, Inc.
Attn: Justin Zerkle
P.O. Box 18496
Oklahoma City, OK 73154

Devon Energy Operating Corp.
20 N. Broadway
Oklahoma City, OK 73102

Marbob Energy Corp.
P.O. Box 227
Artesia, NM 88221-0277

Occidental USA, Inc.
P.O. Box 4294
Houston, TX 77210-4294

Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Receipts of Certified Mail

7008 1830 0002 6038 7751

U.S. Postal Service TM	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
CARLSBAD NM 88220	
OFFICIAL USE	
Postage	\$ 1.39
Certified Fee	\$ 2.80
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.49
09/07/2010	
Sent To: Bureau of Land Management	
Street, Apt. No., or PO Box No. 620 E. Greene St	
City, State, ZIP+4 [®] Carlsbad, NM 88220	
PS Form 3800, August 2006 See Reverse for Instructions	

7008 1830 0002 6038 7867

U.S. Postal Service TM	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
ARTESIA NM 88211	
OFFICIAL USE	
Postage	\$ 1.39
Certified Fee	\$ 2.80
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.49
09/08/2010	
Sent To: Marbob Energy Corp	
Street, Apt. No., or PO Box No. P.O. Box 227	
City, State, ZIP+4 [®] Artesia NM 88221-0227	
PS Form 3800, August 2006 See Reverse for Instructions	

7008 1830 0002 6038 7775

U.S. Postal Service TM	
CERTIFIED MAIL [®] RECEIPT	
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For delivery information visit our website at www.usps.com	
HOUSTON TX 77210	
OFFICIAL USE	
Postage	\$ 1.39
Certified Fee	\$ 2.80
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.49
09/07/2010	
Sent To: Occidental USA, Inc.	
Street, Apt. No., or PO Box No. P.O. Box 4294	
City, State, ZIP+4 [®] Houston, TX 77210-4294	
PS Form 3800, August 2006 See Reverse for Instructions	

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U.S. Postal Service TM	
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For delivery information visit our website at www.usps.com	
OKLAHOMA CITY OK 73102	
OFFICIAL USE	
Postage	\$ 1.39
Certified Fee	\$ 2.80
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.49
09/07/2010	
Sent To: Devon Energy Operating Corp.	
Street, Apt. No., or PO Box No. 20 N. Broadway	
City, State, ZIP+4 [®] Oklahoma City, OK 73102	
PS Form 3800, August 2006 See Reverse for Instructions	

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U.S. Postal Service TM	
CERTIFIED MAIL [®] RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OKLAHOMA CITY OK 73154	
OFFICIAL USE	
Postage	\$ 1.39
Certified Fee	\$ 2.80
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.49
09/07/2010	
Sent To: Chesapeake Operating, Inc.	
Street, Apt. No., or PO Box No. P.O. Box 18496	
City, State, ZIP+4 [®] Oklahoma City, OK 73154	
PS Form 3800, August 2006 See Reverse for Instructions	

Mesquite SWD, Inc.
Bran SWD No. 1
660' FSL & 660' FEL
Sec. 11, T24S-R31E
Eddy County, NM

Legal Notice

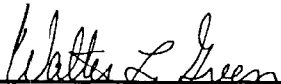
Affidavit of Publication

NO. 21361

STATE OF NEW MEXICO

County of Eddy:

Walter L. Green



being duly sworn, says that he is the Publisher

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

Legal Notice

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

day as follows:

First Publication September 9, 2010

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Subscribed and sworn to before me this

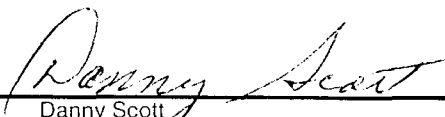
13th day of September 2010



OFFICIAL SEAL
Danny Scott

NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 3/18/2014



Danny Scott
Notary Public, Eddy County, New Mexico

Copy of Publication:



Mesquite SWD, Inc., c/o Kay Havenor, 904 Moore Ave, Roswell, NM 88201-1144, (575) 622-0283, is seeking approval from the New Mexico Oil Conservation Division to re-enter the Sonat Exploration Company Bran SWD #1 well API: 30-015-25697, originally permitted as SWD-649-0, located 660 feet from the south line and 660 feet from the east line of Section 11, T24S, R31E, Eddy County, NM, 35 miles west of Jal, NM, and complete for commercial produced water disposal as the Mesquite SWD, Inc. Bran SWD #1. The proposed disposal interval is the lower Bell Canyon and the Cherry Canyon Formations of the Delaware Mountain Group

through open-hole from 4850 feet to 6794 ft. Mesquite SWD, Inc. plans to dispose of a maximum of 20,000 BWPd with a maximum pressure of 970 psi. Parties with questions regarding this proposal can contact Kay Havenor at the address or phone number above. Interested parties must file objections or requests for hearing within 15 days of publication to the Oil Conservation Division: 1220 S. St. Francis Dr., Santa Fe, NM 87505. Published in the Artesia Daily Press, Artesia, N.M., September 9, 2010. Legal No. 21361.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, August 27, 2010 10:20 AM
To: 'Kay Havenor'
Cc: Ezeanyim, Richard, EMNRD; 'Brian Collins'; 'Wesley_Ingram@blm.gov'; 'Bryan Arrant'; 'Slack, Ronnie'
Subject: Disposal application on behalf of Mesquite SWD, Inc.: Bran SWD #1 (30-015-25697) Unit Letter P, Section 11, T24S, R31E

Hello Dr. Havenor:

Your client's application was submitted in December of 2009. Since more than 6 months old, please submit a new application to this office with new notices, including newspaper posting.

Copying some of the parties you previously notified with this email.

The previous application was sent to Yates, but apparently Marbob controls Yates' portion of the acreage? I have a retraction of Marbob's previous protest with conditions as to your casing setting depth. Due to the large open hole being proposed, any permit issued will likely require an initial tracer/temp injection survey and another after 5 years of disposal. Our records show that other Delaware injection wells have been previously approved in this area (most included the upper Delaware) and all eventually required an injection pressure increase.

You know most of this, but as a reminder on C-108 submittals:

- a. Put API numbers on Wellbore diagrams and AOR data sheets and the API number of the subject well on the front of the application.
- b. If re-naming the well, include also what the previous well name was – see the OCD web site.
- c. Add to your newspaper posting a layman's description of where the well is located.... i.e. 12 miles SE of Lovington.
- d. Look carefully at the ½ mile AOR and list all wells within that area that penetrated at least near to the top of the target formation or injection interval.
- e. Include in your write-up the total number of wells in the AOR and also the number of P&A wells in the AOR – we need this for reporting to the EPA in Dallas.
- f. Please include a listing of all formation tops from surface to at least your projected depth (including top and bottom of Salado, and tops of members of the Delaware)
- g. If any producing oil wells (even inactive and not yet plugged back) are within the target disposal interval and nearby, then we consider this to be either a "pressure maintenance" or "waterflood" application and should be submitted and discussed at an examiner hearing.
- h. If proposing disposal into an old depleted oil well, please include a "Rate vs Time" plot of the previous production from this well. Include evidence or statement from an engineer that this well cannot be re-activated as a producer.
- i. Please show in your application reasoning or evidence as to why the target disposal interval is non-productive. It has either been tested dry or wet, long depleted, or include a mudlog, or petrophysical analysis (at least a rough water saturation and porosity for each main porosity interval).
- j. Please follow the notice requirements listed in the OCD Rules (not on the C-108 form). Per our attorney/landman here, submit with any application requiring "notice", a list of all parties provided notice, the certified receipt number and date mailed (or copy of receipt) AND the acreage within the notice area that the party controls or has leased. All acreage requiring notice should be accounted for – someone controls the minerals, possibly still the original mineral interest owner. If acreage is not leased in the target formation (depths), provide notice to the mineral interest owner(s). A signature and note from a landman is always welcome.
- k. Let us know specifically who the actual surface owner is of the well site.

- l. Send complete copies of the application by certified receipt mail to all “affected persons” including the State Land office or the US Bureau of Land Management.
- m. Check the OCD web site to ensure all logs are there – including any Cement Bond Log if injection/disposal application is being proposed.
- n. Check your client’s Rule 5.9 status on the OCD web site and include that status (inactive wells and financial assurance) with the application. This saves us time here.
- o. Let us know if the well (or the AOR for the well) is below or above any sensitive area such as under a federal or state Park, or Lake, or in the “Hiss” designated Capitan Reef area, or within 1 mile of the R-111-P acreage or the Secretary’s Potash designated area. If laterally in or near the Potash area(s), consult the potash mineral owner and notify the nearest Potash Lessee.

Many Regards,

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Kay Havenor [mailto:khavenor@georesources.com]
Sent: Wednesday, August 25, 2010 2:16 PM
To: Jones, William V., EMNRD
Subject: Mesquite 3001525697

Hi Will,

Mesquite SWD, Inc filed C-108 on the subject well and it was protested by Marbob. They have withdrawn their protest with the condition Mesquite cases down to 4850' and keep the depth @ 6794'. Mesquite is willing to accept those depths. We trust this meets with your approval. Thank you.

Kay

Kay C. Havenor, Ph.D., PG. CPG
GeoScience Technologies
200 West First Street, Suite 747
Roswell, NM 88203-4678
(575) 622-0283

Jones, William V., EMNRD

From: Kay Havenor [khavenor@georesources.com]
Sent: Wednesday, August 25, 2010 2:16 PM
To: Jones, William V., EMNRD
Subject: Mesquite 3001525697

BRAN

Hi Will,

Mesquite SWD, Inc filed C-108 on the subject well and it was protested by Marbob. They have withdrawn their protest with the condition Mesquite cases down to 4850' and keep the depth @ 6794'. Mesquite is willing to accept those depths. We trust this meets with your approval. Thank you.

Kay

Kay C. Havenor, Ph.D., PG. CPG
GeoScience Technologies
200 West First Street, Suite 747
Roswell, NM 88203-4678
(575) 622-0283

Jones, William V., EMNRD

From: Brian Collins [bcollins@marbob.com]
Sent: Wednesday, December 02, 2009 9:01 AM
To: Jones, William V., EMNRD
Cc: land@marbob.com
Subject: Objection to Mesquite SWD Inc. Jack Tank SWD 3

Dear Mr. Jones:

Marbob Energy objects to the Mesquite SWD Inc. (c/o Kay Havenor) proposal to reenter the Bran SWD 1 and make it into a Delaware Sand SWD as the Jack Tank SWD No. 3 (660' FSL, 660' FEL, Unit P, Section 11, T24S, R31E, Eddy Co.).

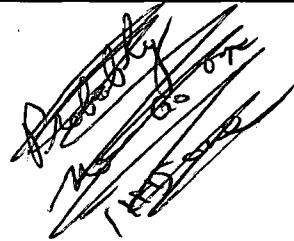
We have offsetting leasehold in the SW/4 of Section 12 with Delaware and/or Bone Spring wells scheduled to be drilled this year. The proposed SWD is 660' from our lease line. We don't want water injected into the Delaware so close to our lease because we haven't defined the potential Delaware productivity on our lease. There could also be potential for injection-induced water flows during the drilling process which would add cost, complexity and risk to our operation.

We discovered this SWD application in the legal notice section of the Artesia Daily Press dated 1 December 2009. We were not directly notified by the applicant as we should have been (as a leasehold operator within a one half mile radius of the proposed well). Please call (575-748-3303) or email me at bcollins@marbob.com if you have questions.

Sincerely,
Brian Collins
Engineer, Marbob Energy

30-015-25697

This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.

Handwritten signature and initials, possibly "B. Collins" and "1/12/09".

Jones, William V., EMNRD

From: Brian Collins [bcollins@marbob.com]
Sent: Wednesday, August 25, 2010 8:17 AM
To: Jones, William V., EMNRD
Cc: tommywilson51@hotmail.com; Kay Havenor; johnnyc@marbob.com
Subject: Mesquite SWD Application Bran/Jack Tank 3 SWD 30-015-25697

25 August, 2010

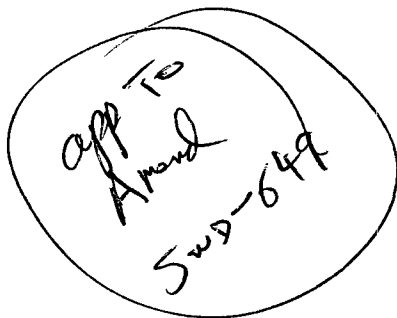
RE: Mesquite Application to Reenter and Convert Well to SWD
Jack Tank SWD No. 3, API 30-015-25697
660' FSL, 660' FEL
Unit P, Sec. 11, T24S, R31E
Eddy Co.

MIDDLE of DELaware BASIN
NOT in Reefor POTASH (R-111-P)

Dear Mr. Jones:

Marbob Energy will withdraw our objection to Mesquite converting this well to SWD if they will increase their proposed casing setting depth from 4525' to 4850' to cover up the upper Bell Canyon sand and keep the proposed TD of the well at 6794'. Please contact me at bcollins@marbob.com or 575-748-3303 if you have questions.

Sincerely,
Brian Collins
Marbob Energy



Jones, William V., EMNRD

From: Wesley_Ingram@blm.gov
Sent: Tuesday, December 29, 2009 8:28 AM
To: Jones, William V., EMNRD; Wesley_Ingram@blm.gov
Subject: RE: Review of the SWD application for reentry of the former Sonat Exploration Co.'s, Bran SWD #1. The operator will be Mesquite SWD Inc. and the well named the Jack Tank SWD #3.
Attachments: SWD Appl - Jack Tank SWD #3 24S31E11P 121609.docx

Will,

Attached is a review for the Jack Tank SWD #3 completed by Roger Hall.
The main item is the injection survey test.

(See attached file: SWD Appl - Jack Tank SWD #3 24S31E11P 121609.docx)

Thank you,

Wesley

This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.

December 16, 2009

RE: Review of the Class II SWD commercial injection well application for the Mesquite SWD, Inc.'s, Jack Tank SWD #3 , 660' FSL & 660' FEL (Ut P) Section 11-24S-31E, Eddy County, New Mexico; re-entry of the plugged and abandoned Sonat Exploration Company, Bran SWD No. 1, API No. 3001525697.

Comments: The well is inside of the Secretary's Potash area; but is not in the measured ore area. There are no wells within the ½ mile area of review (AOR), but there are several within 1-2 miles from the subject well. All the wells in the 1-2 mile AOR are plugged or constructed properly. There is an existing injection well, the Littlefield Federal SWD well #1 approximately ¾ of a mile from this proposed well that is injecting into the same interval (Bell Canyon & Cherry Canyon). This well has an authorized increase in surface injection pressure to 2000 psig due to data from a step rate test done 10/26/2006. I would assume that is why the applicant asked for a maximum injection pressure of 2000 psig and 20,000 maximum/15,000 average BWPD rate.

Due to the higher injection pressure/rate/volume for this well and the fact that it is a large, open-hole interval (4525-6794 feet); the BLM would suggest that a radioactive tracer be performed on this well initially and every 5 years. This would help establish which part of the Delaware Mountain Group, the Bell Canyon or Cherry Canyon would be taking the majority of the fluid and help demonstrate confinement by confirming no fluid movement behind pipe.

RGH 121609

Not in
R-1H-P
area

Injection Permit Checklist (08/27/2010)

WFX

PMX

SWD

(649-A)

Permit Date

11/4/10

UIC Qtr

(O/N/D)

Wells

1

Well Name(s):

BRAN SWD #1

API Num:

30-015-25697

Spud Date:

12/26/86

New/Old:

N

(UIC primacy March 7, 1982)

Footages

660 FSL/660 FEL

Unit

P

Sec

11

Tsp

24S

Rge

31E

County

EDDY

General Location:

35 mile west of TAL

Operator:

MESQUITE SWD INC

Contact

Dr. Hovener

OGRID:

161968

RULE 5.9 Compliance (Wells)

1/18

(Finan Assur)

OK IS 5.9 OK?

OK

Well File Reviewed

Current Status:

DCA

Planned Work to Well:

Re-enter Run 6" CASING

Diagrams: Before Conversion

✓

After Conversion

✓

Elogs in Imaging File:

Well Details:

Hole.....Pipe

Setting
DepthsStage
ToolCement
Sx or CfDetermination
MethodNew ___ Existing ☒ Surface

12 1/4 8 5/8

410

250 SX

CIRC

New ___ Existing ___ Interm

New ☒ Existing ___ LongSt

7 7/8 6"

125 (25 ft)

CIRC

New ___ Existing ___ Liner

New ☒ Existing ___ OpenHole

4850-6794 (TD=6794)

7 7/8

Depths/Formations:

Depths, Ft.

Formation

Tops?

Formation(s) Above

4494
4590Gamar
Belle☒

Injection TOP:

4850

Lower Bell C.

Max. PSI 970

OpenHole ☒

Perfs

Injection BOTTOM:

6794

Cherry C.

Tubing Size 3 1/2

Packer Depth

4500

Formation(s) Below

Marbels PROBABLY THEN
WITHDREW if 4850 is
TOP of inj interval

Capitan Reef?

(Rotash? ___ Noticed? ___)

[WIPP? ___ Noticed? ___]

Salado Top/Bot

Cliff House?

Fresh Water:

Depths: 0-153

Formation

NA

Wells?

NO

Analysis?

Affirmative Statement ☒

Disposal Fluid Analysis?

NO

Sources:

(Commercial SWD)

Disposal Interval: Analysis?

NO

Production Potential/Testing:

WELL FROM LOGS

Notice: Newspaper Date

9/9/10

Surface Owner

BLM

Mineral Owner(s)

RULE 26.7(A) Affected Persons:

Chapman / Darn / Marbels / OXY

(yates = ?)

AOR: Maps?

☒

Well List?

☒

Producing in Interval?

NO

Wellbore Diagrams?

—

.....Active Wells

1

Repairs?

0

Which Wells?

—

.....P&A Wells

0

Repairs?

—

Which Wells?

—

Questions:

Run inj Surveys Per BLM

Request Sent

Reply: