OIL CONSERVTIONS DIVISION

CASE #: 14178

EXHIBIT 1-A

Mesquite SWD, Inc. Case 14178

October 15, 2008

Entered May 18, 1976

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 5681 Order No. R-5217

APPLICATION OF A. H. RAINS FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 12, 1976, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 18th day of May, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, A. H. Rains, is the operator of the Pure State Well No. 1, located in Unit J of Section 15, Township 21 South, Range 27 East, NMPM, Magruder-Yates Pool, Eddy County, New Mexico.
- (3) That the applicant proposes to utilize said well to dispose of produced salt water into the Yates formation, with injection into the open-hole interval from approximately 540 feet to 551 feet.
- (4) That the injection should be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 535 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.
- (5) That the operator should notify the supervisor of the Artesia district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

-2-Case No. 5681 Order No. R-5217

- (6) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.
- (7) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, A. H. Rains, is hereby authorized to utilize its Pure State Well No. 1, located in Unit J of Section 15, Township 21 South, Range 27 East, NMPM, Magruder-Yates Pool, Eddy County, New Mexico, to dispose of produced salt water into the Yates formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 535 feet, with injection into the open-hole interval from approximately 540 feet to 551 feet;

PROVIDED HOWEVER, that the casing-tubing annulus shall be filled with an inert fluid, and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

- (2) That the operator shall notify the supervisor of the Artesia district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (3) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.
- (4) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-Case No. 5681 Order No. R-5217

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD Member

JOE D. RAMEY, Member & Secretary

S E A L

Entered October 12, 1976

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 5753 Order No. R-5217-A

APPLICATION OF A. H. RAINS FOR AMENDMENT OF ORDER NO. R-5217, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of October, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That by Commission Order No. R-5217 dated May 18, 1976, the applicant, A. H. Rains, was granted authority to utilize his Pure State Well No. 1, located in Unit J of Section 15, Township 21 South, Range 27 East, NMPM, Magruder-Yates Pool, Eddy County, New Mexico, as a salt water disposal well for water production from said Pure State Lease.
- (3) That it now appears that said Pure State Well No. 1 may be better utilized as a producing well.
- (4) That the applicant seeks the amendment of Order No. R-5217 to provide an administrative procedure for the approval of substitute or additional salt water disposal wells on said Pure State Lease in Section 15, Township 21 South, Range 27 East, Magruder-Yates Pool, Eddy County, New Mexico.
- (5) That the applicant is the only operator in said Magruder-Yates Pool.
- (6) That approval of the application may result in greater recovery of oil from said Pure State Lease, will not cause waste, will not violate correlative rights, and will not endanger fresh waters provided that proper well construction and monitoring procedures are required.

Case 14178
Mesquite SWD, Inc.
OCD Exhibit 1-B

-2-Case No. 5753 Order No. R-5217-A

(7) That the application should be approved.

IT IS THEREFORE ORDERED:

- (1) That Order (1), (2), and (3), of Commission Order No. R-5217 are hereby amended to read in their entirety as follows:
 - "(1) That the applicant, A. H. Rains, is hereby authorized to utilize his Pure State Well No. 1, located in Unit J of Section 15, Township 21 South, Range 27 East, NMPM, Magruder-Yates Pool, Eddy County, New Mexico, to dispose of produced salt water into the Yates formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 535 feet, with injection into the open-hole interval from approximately 540 feet to 551 feet.
 - "(2) The Secretary-Director of the Commission is hereby authorized to approve such additional or substitute injection wells at orthodox and unorthodox locations within the boundaries of applicant's Pure State Lease as may be necessary to handle produced water therefrom, provided said wells are located no closer than 660 feet to the outer boundary of said lease nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary. To obtain such approval, the operator shall file proper application with the Commission, which application shall include the following:
 - (a) A plat showing the location of the proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.
 - (b) A schematic drawing of the proposed disposal well which fully describes the casing, tubing, perforated interval, and depth.
 - (c) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

The Secretary-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval of the application upon receipt of waivers from offsetting operators.

- "(3) That terms and conditions of approval of any disposal well under provisions of this order shall be as follows:
- (a) That the casing-tubing annulus shall be filled with an inert fluid, and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped

-3-Case No. 5753 Order No. R-5217-A

with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

- (b) That the operator shall notify the supervisor of the Artesia district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.
- (c) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

 ${\tt DONE}$ at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

Clever Clevel

JOE D. RAMEX, Member & Secretary

SEAL

SUBJECT: SALT WATER DISPOSAL WELL

THE APPLICATION OF A. H. RAINS FOR A SALT WATER DISPOSAL WELL.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701 (C), A. H. Rains made application to the New Mexico Oil Conservation Commission on December 13, 1976, for permission to complete for salt water disposal his Exxon State Well No. 8 located in Unit O of Section 15, Township 21 South, Range 27 East, NMPM, Lea County, New Mexico.

The Secretary-Director finds:

- l. That application has been duly filed under the provisions of Rule 701 (C) of the Commission Rules and Regulations;
- 2. That satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- 3. That the applicant has presented satisfactory evidence that all requirements in Rule 701 (C) will be met.
- 4. That no oubjections have been received within the waiting period prescribed by said rule.

IT IS FURTHER ORDERED:

That the applicant herein, A. H. Rains, is hereby authorized to complete its Exxon State Well No. 8 located in Unit O of Section 15, Township 21 South, Range 27 Fast, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Yates formation at approximately 570 feet to approximately 600 feet through 2 3/8 inch plastic lined tubing set in a packer located at approximately 565 feet.

IT IS FURTHER ORDERED:

That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That the operator shall notify the supervisor of the Commission's Artesia District Office before injection is commenced through said well.

That the operator shall immediately notify the supervisor of the Commission's Artesia Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

Case 14178
Mesquite SWD, In

Salt Water Disposal - A. H. Rains

PROVIDED FURTHER

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing the Commission may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operation in accordance with Rule 704 and 1120 of the Commission Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 31st day of December.

STATE OF NEW MEXICO OLL CONSERVATION COMMISSION

JOE D. RAMEY

Secretary-Director

SEAL

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. 0.1		7. Dott Agreen out Paule
will will other- M	19TER DISPOSAL WELL	
i. King of Charater		6. Fam or Lease Hame
A. H. RAINS		EXXON STATE
1. Alme, 2 of Contains		9, Well No.
ABY 927 CARLSBAD N.M.	90221	\$
1, 1, often of Well		10, Field and Pool, or Wildord
	C 1 101	MAGRADER YATES
UNIT LETTER FER	THE FACH THE DOUT THE LINE AND 2037 PEET	CHON CHAILTHAN TO THE STORY
Fact	106	
THE FAST LINE, SECTION 15	TOWNSHIP TO RANGE	men ()
CALLER CONTRACTOR CONT	100	
	Elevation (Show whether DF, RT, CR, etc.)	12. County
	3270	EDDY (
Check Arpropriate	Box To Indicate Nature of Notice, Report of	or Other Data
NOTICE OF INTENTION 1	•	JENT REPORT OF:
WOTTOE OF THE ENTERNA	300320	JENT NEI OTT OT
· · · · · · · · · · · · · · · · · · ·		י י י י י י
PERFORM RENTOTAL WORK	PLUG AND ABANDON REMEDIAL WORK	ALTERING CASING
TEMPCHANILY ABANDON	COMMENCE DEILLING OTHS.	PLUG AND ABAHOOHLITHE
PULL OR ALTER CASING	CASING TEST AND CEMENT JOB	
1 A = A = D = A = = 1.	- OTHER BEGINNING	5-13-72
OTHER WATER DISPOSAL WE	<u></u>	
(1)		
work) SEE RULE 1102.	ly state all pertinent details, and give pertinent dates, incl	Add Commented date of starting any proposed
DODANGED TO DRILL 13	15 HOLE TO A DEPTH 175	AND SET OF CASING
THE FUSE DID ON	7	TO A PERTH OF 550
REMENTED OVERTHE T	OP. THEN DRILL 7%"HOLE	
- 1	"CASING AND CEMENT OF	ED THE TOP, THEN
10 600; I HEN SET 3%	BIT TO A DEPTH A)PPROX.	
15.11	DE TO ADEPTH APPROX.	7 <i>C N</i> '
WILL DRILL WITH 45	Bis 10 A Oct 111	
14		
	,	
	•	
•	·	A
	•	Case 14178
•		Mesquite SWD, Inc.
•		•
		OCD Exhibit 1-F
•		
. I hereby certify that the information above in true an	id complete to the best of my knowledge and bellef,	angente de la company de la co
$i \in \mathcal{I}$.	
Andrai A	OPERATAR	5 7.1 1277
urn. Clittle 12 Cle 20	TITLE OYEKA ISK	DATE - 74 /7 //
ing to the transfer of the state of the stat	ಕ್ರಾಯಿ ಕರ್ನಾಟದಲ್ಲೂ ಸಂಗಾರ್ಥಿ ಎಸ್ಟರ್ ಕಿಸಿದ್ದ ಸಂಪರಿಷವಾಗಿಕೆ ಕಿಸಿಸಿ ಸರ್ಕಿಸಿಗೆ ಕ್ರಾಕಿಸಿಕ ಸಂಪರ್ಧಿಕರುವ ಮುಖ ಸಿಲಿಕ್ ಪ್ರಾಕ್ರಿಸಿಕ	ng palaman nga manunturin. Pang pilipin dan manangan manangan kalaman dan kalaman dan Al- -
110 6 -	SUPERVISOR, DISTRICT, H	*****
111 (1 //manox		MAY 2 S 1977

CONDITIONS OF APPROVAL, IN ANYL

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Porm C+102 Superaedes C+128 Ellective L-1-65

All distances must be from the outer boundaries of the Section nien at Welli Dedicated Acresus 3274 MAGRUDER 1. Outline the acronge dedicated to the audject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different gwnership is dedicated to the well, have the interests of all owners been consulidated by communitization, unitization, force-pooling, etc? If answer is "'yes," type of consolidation. If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.), No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise for until 4 non-utandard unit, eliminating such interests, has been approved by the Commission. CERTIFICATION I hereby certify that the information cantained herein is true and complete to the I hereby certify that the well location knowledge and belief. Registered Professional Light Certificate No. 1320 1680

Case 14178
Mesquite SWD, Inc.
OCD Exhibit 1-G

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

46. 07 COPIES SCCCIVES		
DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.	1	
LAND OFFICE	1	
67764765		

CONDITIONS OF APPROVAL, IF ANY IX AS Noted Proce

P. O. BOX 2088 RECEIVED BY

Form C-103 Revised 10-1-78

FILE U.S.O.S.	AUG 27 1984	Sa. Indicate Type of Lease
LAND OFFICE	O. C. D.	State Fee
OPERATOR	ARTESIA, OFFICE	5, State Oil & Gas Lease No.
SUNDRY NOTICES AND REPORTS ON W	ELLS	
I. OIL GAB A.		7. Unit Agreement Name
OIL SAB WELL OTHER. DESPLAY		8. Farm or Lease Name
RAINS PROMETTEN CC.	ON A. RAILS)	EXXCA STATE 9. Well No.
3. Address of Operator	•	9. Well No.
F. U. B. 2429 CARLSBAD \$8221		10, Field and Pool, or Wildcat
UNIT LETTER 0 . 1268 FEET FROM THE SOUTH	110F AUD 222 FEET FOR	·
THE East LINE, SECTION 15 TOWNSHIP 215	•	
15. Elevation (Show whether Di	F. RT. GR. etc.)	12. County
	· · · · · · · · · · · · · · · · · · ·	EDDY
Check Appropriate Box To Indicate National Check Appropriate Box To Indicate Check Appropriate B		
NOTICE OF INTENTION TO:	SUBSEQUEN	IT REPORT OF:
	REMEDIAL WORK	ALTERING CASING PLUG AND ABANDONMENT
PULL OR ALTER CABING CHANGE PLANS	CASING TEST AND CEMENT JOB	
OTHER REPAIR TUBICO LEAK	OTHER	
17. Describe Proposed or Completed Operations (Clearly state all pertinent detail work) SEE RULE 1103.		
HT THIS TIME WE AKE WHIT.	ENG FOR WERD	FROM PETENTEAL
BUYERS TO PURCHASE THIS LE		
LEASE AS IS. IF THEY DO NO	T BUY, WE W	TLL PUT NEW
STRING OF THBING IN WELL A	NO NITTEY NA	1CC - ARTESIA ATAK.
PRECE THIS LEASE IS PRESENTA		
BE PRODUCED UNTIL TUBING IS	REPLACED (AS	LONE AS PAZOS
PROPERTIEN LG. IS OPERATOR).		
	·	
		Case 14178
* Repair work should begin within 90 days.	•	Mesquite SWD, Inc.
		OCD Exhibit 1-H
18. I hereby certify that the information above is true and complete to the best of	my knowledge and belief.	
)	_	
BIGHEO LEG LY . K. TITLE GEAR	ERHL PHRTNER	DATE 8-24-64
mh Walhon On	AND GAS INSPECTOR	AUG 2 9 1984
The state of the s		

District II 1301 W. Grand Ave., Artesia, NM 88210

Previous Operator Information

State of New Mexico Energy, Minerals and Natural Resources

Form C-104A Permit 1065

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

RECEIVED

JUN 0 7 2004

Change of Operator

New Operator Information

OCP OFFESIA

OGRID:	6000	Effective Date: OGRID:	228017
Name:	DEE LAYLOR	Name:	Blue CollAR AIL + Gas LLC
Address:	1103 W Fdwards	Address:	P.O. Box 1075
Address:		Address:	
City, State, Zlp:	Carlsbad, NM 88220	City, State, Zip:	Antesia, NM 88210
this form and	fy that the rules of the Oil Conservation Div the certified list of wells is true to the best o	of my knowledge and	d belief.
this form and	the certified list of wells is true to the best o	of my knowledge and New Ope	d belief.
this form and	the certified list of wells is true to the best o	of my knowledge and	d belief.
Previous O Signature: Printed	perator Jacob Typical	New Ope Signature: Printed	rator John Craig Hulen

30-015-22055

Case 14178 Mesquite SWD, Inc. OCD Exhibit 1-I

<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210 Phenot (505) 748-1283 Fax: (505) 748-9720

State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-104A Permit 19175

Change of Operator

A revious Opera	itor information	New Operator	านเขา เมลเเขม
		Effective Date:	12/1/2005
OGRID:	228017	OGRID:	161968
Name:	BLUE COLLAR OIL & GAS LLC	Name:	MESQUITE SWD, INC
Address:	PO Box 1075	Address:	PO Box 1479
Address:		_ Address:	
City, State, Zip:	Artesia, NM 88210	City, State, Zip:	Carlsbad , NM 88221
Previous Opera Signature: XM Printed Name: XM Title: XM	Denvis and the certified list of what was a looks NA Ging Manger Director, LL. C. 1-1-05 Phone: X-505-390	New Oper Signature: Printed Name:	
	NMOCD Ap Electronic Sign Date: April 25,	ature: <u>Carmer</u>	n Reno, District 2

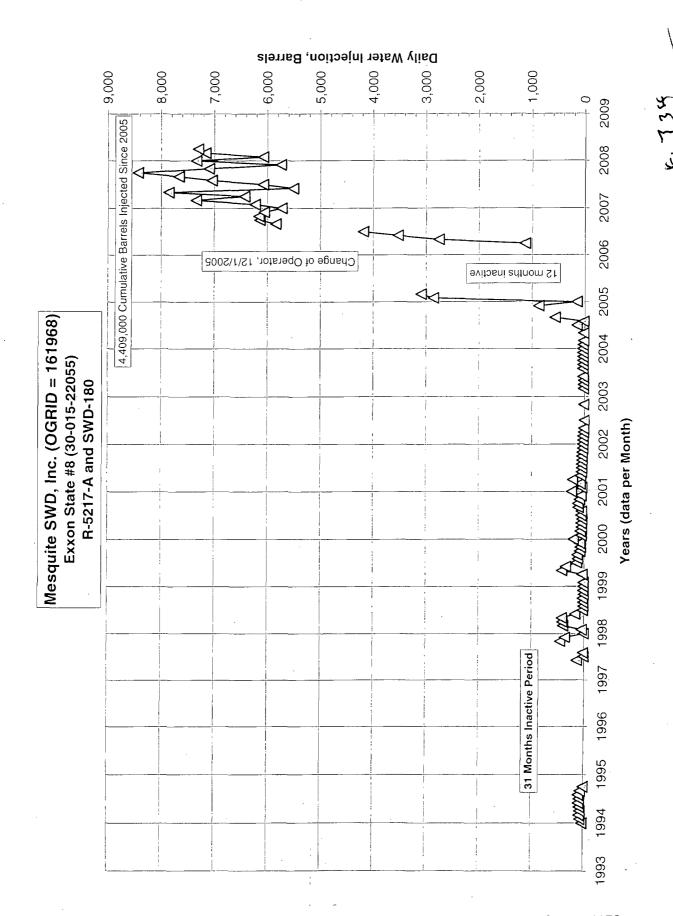
Case 14178 Mesquite SWD, Inc. OCD Exhibit 1-J

Well List

161968 MESQUITE SWD, INC TOTAL WELL COUNT:13 PRINTED ON:THURSDAY, OCTOBER 09, 2008

Property	Well Name	Lease Type	ULSTR	OCD UL	API	Well Type	Pool		Last Prod/Inj	Oil POD	Gas POD	In Add. Bond
300272	BIG EDDY FEDERAL #100	F	L-8 -21S-28E	L	30-015-24824	S	96100	SWD;DELAWARE	8/2008		-	
303114	CARTHEL FEDERAL COM #002	F	G-5 -23S-29E	G	30-015-23389	G	79865	LAGUNA SALADO;ATOKA, NORTH (GAS)	10/2005	2812161	650330	
24734	DORSTATE SWD #001	S	H-27-25S-28E	Н	30-015-23728	S	96095	SWD; BONE SPRING	8/2008	2817935		9/1/2010
33262	DUNAWAY #001	Р	F-23-22S-27E	F	30-015-28083	W						
	DUNAWAY #002	Р	F-23-22S-27E	F	30-015-28084	I						
302443	EXXON STATE #001	S	J-15-21S-27E	J	30-015-01091	0	42750	MAGRUDER;YATES	4/2008	2458010	2458030	5/1/2010
	EXXON STATE #002	S	J-15-21S-27E	J	30-015-01092	0	42750	MAGRUDER; YATES	4/2008	2458010	2458030	5/1/2010
	EXXON STATE #003	S	O-15-21S-27E	0	30-015-01096	0	42750	MAGRUDER;YATES	4/2008	2458010	2458030	5/1/2010
	EXXON STATE #007	S	O-15-21S-27E	0	30-015-01100	0	42750	MAGRUDER; YATES	4/2008	2458010	2458030	5/1/2010
	EXXON STATE #008	S	O-15-21S-27E	0	30-015-22055	S *	96090	SWD; YATES	5/2008			6/1/2010
301620	KAISER STATE #044	S	F-13-21S-34E	F	30-025-32741	0	64600	WILSON; YATES- SEVEN RIVERS (ASSOC)	3/2006	761810	2807528	4/1/2008
303012	ROHMER #001	Р	F-23-22S-27E		30-015-25722	S	96100	SWD;DELAWARE	8/2008			9/1/2010
301022	WILLOW LAKE #001	F	C-22-24S-28E	С	30-015-21499	S	96095	SWD;BONE SPRING	8/2008	2826253		

Case 14178
Mesquite SWD, Inc.
OCD Exhibit 1-K



Case 14178 Mesquite SWD, Inc. OCD Exhibit 1-L



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHALDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 25, 2008

Mr. Clay Wilson Mesquite SWD, Inc. PO Box 1479 Carlsbad, NM 88221

RE: SWD-180, Exxon State Well No. 8 API No. 30-015-22055

1268 FSI , 2032 FEL, Sec 15, T21S, R27E, NMPM, Eddy County, New Mexico

Dear Sir:

cc:

Please complete the following work on the above named injection well:

- 1) Run GR-CNL from the bottom of the Open Hole to the surface or if older logs are available, send them instead.
- 2) Run an injection survey with radioactive tracer and temperature survey sensors while injecting at your normal, average daily rate.
- 3) Construct a daily (preferable) or monthly injection rate and pressure vs. time plot. Put the cumulative barret of water injection on this plot since the well began injection.
- Run memory gauge(s) in the hole and resume injection for at least 4 days at a constant rate (if possible), then that in the well at the surface for at least 72 hours. After the shut-in period, pull the gauges, have the pressure test perfessionally analyzed and send in the results and the raw data on memory disks. Record the injection rates for the craire time the gauges are in the hole and send in these observed injection rates.

Copy the requested items to myself in Santa Fe and to Mr. Tim Gum of the Artesia district office. The Division requests you complete this work <u>prior to April 30, 2008</u>.

Please direct questions concerning this request to myself. Please direct questions as to fall-off test details to Mr. Will Jones of the engineering bureau at 505-476-3448.

Sincerely,

J. Daniel Sanchez

Compliance and Enforcement Manager and-

Director of New Mexico's Underground Injection Control

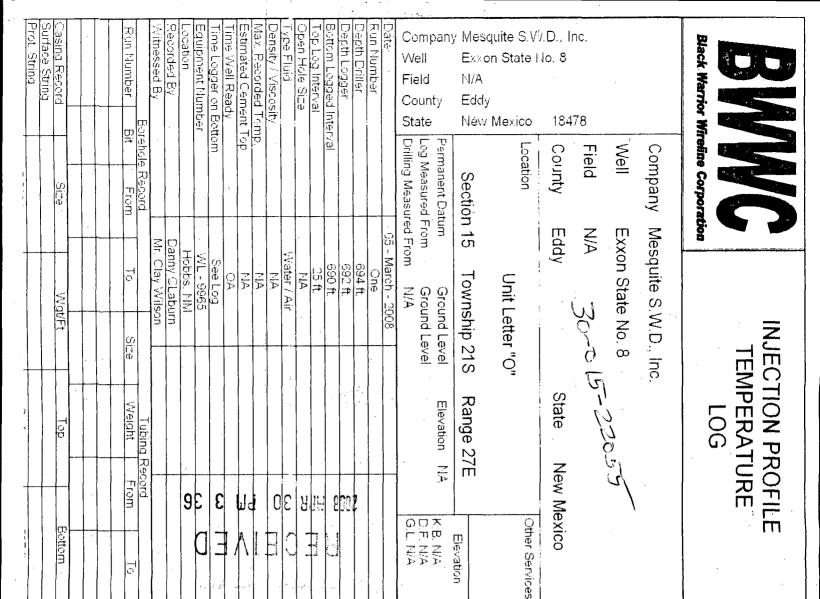
505-476-3493

Oil Conservation Division - Artesia

Case 14178
Mesquite SWD, Inc.
OCD Exhibit 1-M

Submit 3 Copies To Appropriate District Office	State of New Mexic			Form C-103
District I 1625 N. French Dr., Hobbs, NM 88240	Energy, Minerals and Natural	Kesources	WELL API NO.	May 27, 2004
District II	OIL CONSERVATION D	VISION	30-015-22055	
1301 W. Grand Ave., Artesia, NM 88210 District III	1220 South St. Francis	EN -	5. Indicate Type of Lea	se FEE
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 8750	5	6. State Oil & Gas Leas	
1220 S. St. Francis Dr., Santa Fe, NM 87505				1
SUNDRY NOTIC	ES AND REPORTS ON WELLS	•	7. Lease Name or Unit	Agreement Name
	ALS TO DRILL OR TO DEEPEN OR PLUG F ATION FOR PERMIT" (FORM C-101) FOR S		Exxon State	
1. Type of Well: Oil Well []			8. Well Number #8	
Name of Operator Mesquite SWD Inc.	APR ;	β Ζυυσ	9. OGRID Number 16	
3. Address of Operator	OCD-Af	RTESIA	10. Pool name or Wildo	at
P.O. Box 1479 Carlsbad, NM 88220			Magruder Yates	
4. Well Location	feet from the	line and	feet from the	line
Section 15		nge 27E		inty Eddy
Section 13	11. Elevation (Show whether DR, RK			Inty Eddy
	,			
Pit or Below-grade Tank Application or				
	erDistance from nearest fresh water		•	er
Pit Liner Thickness: mil	Below-Grade Tank: Volume		nstruction Material	
12. Check Ap	propriate Box to Indicate Natu	re of Notice,	Report or Other Data	
NOTICE OF INT	ENTION TO:	SUB	SEQUENT REPORT	T OF:
	PLUG AND ABANDON 🗍 RE	MEDIAL WOR	C ALTE	RING CASING 🗌
·			LLING OPNS. P AND	DA 🗆
PULL OR ALTER CASING		SING/CEMENT	ł •	
OTHER:		HER: MIT	Testur(
	ted operations. (Clearly state all perti	nent details, and	give pertinent dates, incli	
of starting any proposed work or recompletion.	x). SEE RULE 1103. For Multiple C	ompletions: Att	ach wellbore diagram of p	proposed completion
1) Pun GP-CNI from bottom of onen	hala ta tha gurfaca			
 Run GR-CNL from bottom of open Run injection survey with radioacti 		ors while injecti	ng at our normal, average	rate.
3) Redress packer RIH, set packer, and	run 30 min chart. Chart Attached.	3	, ,	
	•	•		
•			1	
			1	
			Case 1417	8 .
			Mesquite SWI	D, Inc.
			OCD Exhibi	it 1-N
I hereby certify that the information ab	ove is true and complete to the best o	f my knowledge	and belief. I further certify	that any pit or below-
grade tank has been/will be constructed or cle	seed according to twitter b guidennes [] A	cuerai periiit	an (arrachen) anternative OC	D-approved plan □.
SIGNATURE (Mef //	SISCOT TITLE // NO	story	DATE	E2/5/08
Type or print name Clay L Willson	E-mail address:	/	Telephone No. (57	75)885-3996
For State Use Only	Z	Osemi Cinio	: 010phone 110. (57	
Donn	Jun	Gerry Guye Compliance	Officer DATI	APR 2 1 2008
APPROVED BY:	TITLE			_ /~ \

APPROVED BY:_



rpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liet le or responsible for any loss, costs, damages, or unsestincurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

Comments

Injection profile indicates fluid going in open hole just below casing with majority going down hole past TD.

Tracer pass show fluid movement down hole past logged TD. Temperature show cooling effect just below casing to TD.

Thank you for using Black Warrior Wireline.

Case 14178 Mesquite SWD, Inc. OCD Exhibit 1-0

nsor	Offset (ft)	Schen	natio .	Description	Len (ft)	OD (in)	. Wt (Ib)
НĎ	43.67			СНО_68	0.84	0.69	1.00
		-		TREJCT-Bell775 (775-001)	2.60	7.44	5.00
			•	TRDET-Bell710 (710-002)	3.00	1.44	5.00
ΕŢ	38,33						
3AR	37.83			N			
	•						
				1_68l5	5.00	1.69	39,00
BAR	32.83						
				2			
			1				
				A hora	7.00	. a con	00.00

SBAR	11.83				
		1_ 68t7	7.00	1.69	8(
COL	3.50	CCL-SIE242 (242-001)	1.83	1.68	10
DET#2	0.00	TRDET #2 -Bell711 (711-002)	3.00	1.44	5

Dataset:

mesq0306.db: exxon/st_008/run3/pass9 43.67 ft

EXXON STATE #8

-. 30-015-22055

Total Length:

Total Weight:

385.00 lb 1.69 in

Company:

Well:

File:

C:\Warrior\Data\mesq0306.db

Dataset: -

exxon/st_008/run3/_tracer_/_shottabl_/1

Reference Rate: 6687.0 b/d

VELOCITY RESULTS

#	Depth (ft)	Time	D Space (ft)	D Time (sec)	Csg ID (in)	Flow (b/d)	Flow (%)	Delta (%)	Comment
22	548.43	16:20:19	38.33	8.00	5.01				Packer Check
20	570.42	16:16:43	38.33	11.00	5.01	6686.97	100.00	**************************************	X
19	580.57	16:15:30	38.33	11.00	5.01	6686.97	100.00	0.00	
18	590.40	16:14:22	38.33	11.00	5.01	6686.97	100.00	0.00	THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER.
17	600.38	16:13:10°	38.33	12.00-	5.01	6129.72	91.67	8.33	
16	610.23	16:11:50	38.33	12.20	5.01	6029.23	90_16	1.50	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1
15	620.26	16:10:46	38.33	12.50	5.01	5884.53	88.00	2.16	,
14	- 630.24	16:09:42	38.33	12.70	5.01	5791.86	86.61	1.39	
13	640.25	16:08:30	38.33	12.70	5.01	5791.86	86.61	0.00	
12	645.20	16:07:36	38.33	12.70	5.01	5791.86	86.61	0.00	177
11	650.22	16:06:38	38.33	12.70	5.01	5791.86	86.61	0.00	
10	655.18	16:05:41	38.33	12.70	5.01	5791.86	₹6.61	0.00	
9	660.13	16:04:43	38.33	12.70	5.01	5791.86	86.61	0.00	
8	665.19	16:03:53	38.33	12.70	-5.01	5791.86	86.61	0.00	
7	670.09	16:03:01	38.33	12.70	5.01	5791.86	86.61	0.00	
6	674.04	16:02:15	38.33	12.80	5.01	5746.61	85.94	0.68	
5	679.20	16:01:16	38.33	12.80	5.01	5746.61	85-94	0.00	
4	692.21	15:58:59	38.33	15.00	5.01	4903.77	73.33	12.60	

Merged Pass

Database File:

Charted by:

rnesq0306.db

Dataset Pathname:

exxon/st_008/run3/lass101

Presentation Format: Dataset Creation:

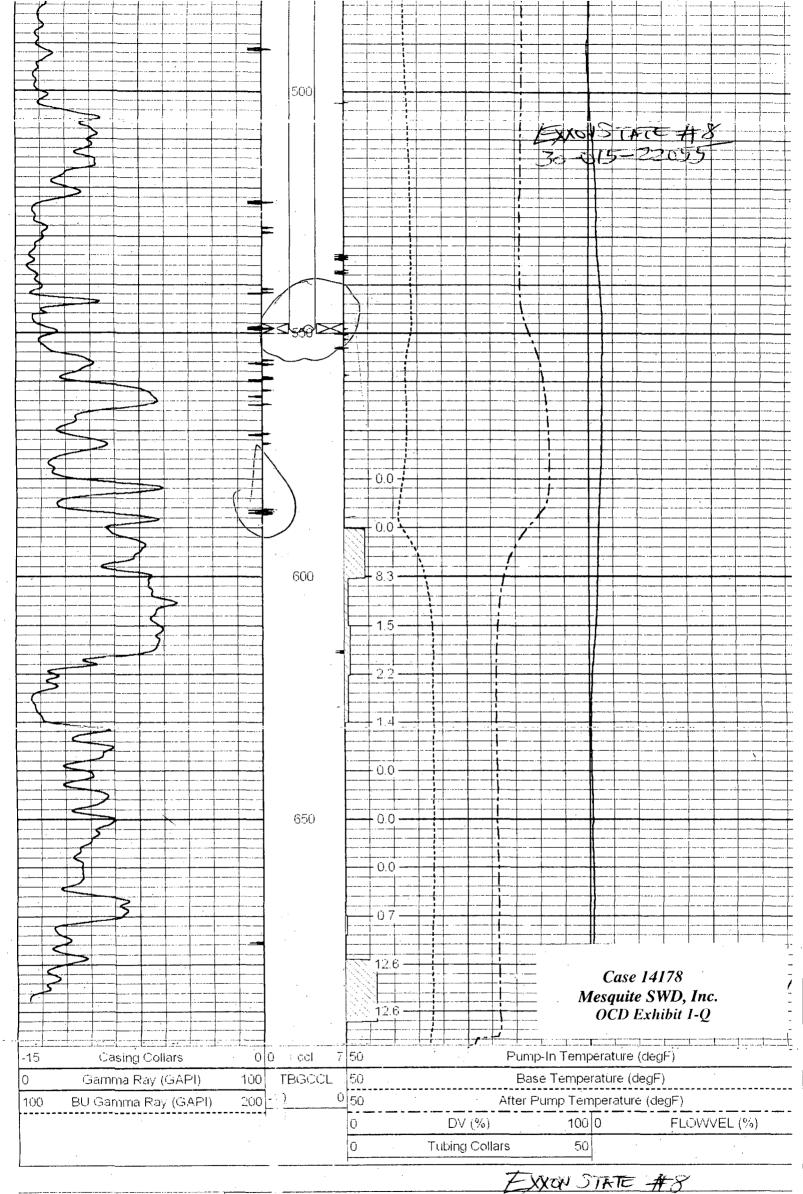
Unknown

Mon Mar 10 08:12:10 2008

Depth in Feet scaled 1:240

Case 14178 Mesquite SWD, Inc. OCD Exhibit 1-P

-15	Casing Collars	0	0 oct 7	50	Purisp-In Temperature (degF)			
0	Gamma Ray (GAPI)	100	TBGCCL	5ò	Base Temperature (degF)			
100	BU Gamma Ray (GAPI)	200	-10 0	50	After Pu	mp Tem	perature (degF)	
				0	DV (%)	100	0 FLOWVEL (%)	
			•	0	Tubing Collars	50		





Tracer Pass

Database File:

mesq0306.db evvon/st_008/nin3/nass23

VMATCH.XLS

	Exxon St	ate #8		STEP 1	
		学 "。这些特		INPUT	
GIVEN		•		DATA	IN DARCHES
•		RMEABILITY			15 mm 19 141 5 m A 1611 1- 1 1
		N THICKNES	, , , , , ,		•
		FACTOR (B)			
		PRESS (Pe			
		SCOSITY (N		1.00	
	DRAINAGE		Re) (FT)		
		RADIUS (F			
		TOR (DIMEN			
		NIT FLOW (
		LOW AT T1			
	TIME (T1) (MONTHS)		24.00	
	FORM POR	OSITY (PHI	(왕)	35.00	0
	(SOI-SOR) (웅)		90.00	0
	Actual R	eserves;		4364712	2
CALCULATE	[]				, in the second of the second
	T FLOW (FLOW (Qc) (BPD)	5973	
	ACT DECL	INE CONSTA	NT (Ca)	0.000011	•
	THEO DEC	IINE CONST	ANT (Ct)	0.000011	·
	THEO	ACTUAL	THEO	ACTUAL	A ANTES
TIME	FLOW	FLOW	CUM	CUM	DECLINE KESETTE
T1	Qt	Qa	FLOW	FLOW	DECLINE RESERVES MATCH WITH CONTRACTOR RESERVES
(MONTHS)	(BPD)	(BPD)	(MBBL)	(MBBL)	VOLUMETRICS RESERVE
0	5973	6000	· 0	0	VOLUME INCO TO
12	5948	5975	2176	2185	TYPE CURVE FIT
24	5924	5950	4342	4362	TYPE CURVE
36	5899	5925	6500	6529	D-OM.
43	5875	5900	8649	8687	VIELDS PENIS
60	5850	5876	10789	10836	
72	5826	5851	12920	12977	
84	5802	5827	15042	15108	
96	5778	5802	17155	17230	
108	5754	5778	19260	19344	
120	5730	5754	21356	21448	•.
132	5706	5730	23443	23544	
144	5683	5706	25521	25631	
156	5659	5682	27591	27710	
168	5636	5659	29653	29780	
180	5612	5635	31705	31841	
192	5589	5611	33750	33893	
204	5566	5588	35785	35937	•
216	5543	5565	37813	37973	
228	5520	5541	39832	39999	
	2220	J J 1 1 1 .	3,034		

Case 14178 Mesquite SWD, Inc. OCD Exhibit 1-R Albert S. Wylie, Jr. and James R. Wood, Department of Geological & Mining Engineering and Sciences, Michigan Technological University

Permeability and Porosity Imaging of a Niagaran Pinnacle Reef Using Log Curve Amplitude Slicing of Core Data - Bell River Mills Field, St. Clair County, Michigan

The Bell River Mills Field was discovered in 1961 and produced over 21 BCF of gas before its conversion to a gas storage field in 1965. Thirty-five of the 54 wells in the field were continuously cored through the Niagaran pinnacle reef and the A-1 carbonate/anhydrite. The cores were analyzed to produce more than 6000 measurements of both horizontal permeability and porosity. Core permeability measurements range from zero to eight darcies with both the low and high values affected by equipment measurement limits; 50% of the permeability measurements are less than 2 millidarcies (md) while 40% range from 2 to 100 md. Core porosity ranges from zero to 33%; 15% of the porosity measurements are less than 2% while 83% range from 2 to 20%. Log curve amplitude slicing, a new technique that generates subhorizontal slices through log curves on a foot-by-foot basis, was used to create a series of amplitude slices from the core permeability and porosity curves in these wells. Animations of the core permeability and porosity slices show the detailed distribution of these important reservoir properties throughout most of the pinnacle reef. Integrating the core permeability and porosity animations and previous animations of the gamma ray curve with rock types and formation tops for the Bell River Mills field produces a series of reservoir models that can be used to visualize the likely permeability and porosity distributions for less densely drilled and cored Niagaran pinnacle reefs as well as pinnacle reefs lacking 3D seismic coverage.