

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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APPLICATION OF MESQUITE SWD, INC., FOR AUTHORIZATION TO
INJECT AND TO OBTAIN AN AMENDMENT TO PERMIT NO. SWD-180,
EDDY COUNTY, NEW MEXICO.

CASE NO. 14178

ENTRY OF APPEARANCE AND
PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and pre-hearing statement pursuant to OCD Rule 1211 [19.15.14.1211 NMAC].

APPEARANCES

APPLICANT

Mesquite SWD, Inc.

APPLICANT'S ATTORNEY

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RESPONDENT

Oil Conservation Division

Sonny Swazo
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Energy, Minerals and Natural
Resources Department
1220 S. St. Francis Drive
Santa Fe, NM 87505
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STATEMENT OF THE CASE

Applicant Mesquite SWD, Inc., is seeking authorization to inject into the Exxon State No. 008 well at a depth of 700 feet.

OCD opposes entry of an Order which authorizes injection into the Exxon State No. 008 well at a depth of 700 feet. Since acquiring the Exxon State No. 008 well in December 2005, Mesquite SWD, Inc., has substantially increased injection into the well, which the Oil Conservation Commission originally intended for disposal of salt water from the Pure State Lease. The results of a tracer survey which Mesquite SWD, Inc., had performed on the well shows a majority of injected fluids going down hole past total depth, which is around 694 feet. The well is taking on large amounts of fluids under a vacuum. The well has been shut-in since May 2008. Since then, the backflow which had been occurring at an area well has stopped.

RESPONDENT'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME:

Will Call

Will Jones
OCD Engineer

1 hour

May Call

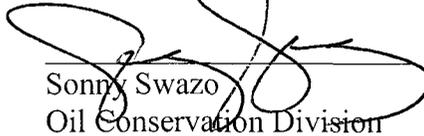
Daniel Sanchez
OCD Enforcement and Compliance Manager

30 Minutes

PROCEDURAL MATTERS

None at this time.

Respectfully submitted
this 8th day of October 2008 by



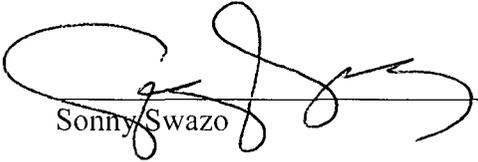
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Attorney for the Oil Conservation Division

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of October, 2008, I sent a correct copy of the foregoing pleading via first class mail, fax, and electronic mail to:

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