

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.

Lease: **Exxon State No. 8**

Well No.: **Exxon State No. 8**

Location: **Unit O of Section 15, Township 21 South, Range 27 East, Eddy County, NM**

(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.

Please see Attachment 5, Injection Well Data Sheet.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

Mesquite proposes to use 3 1/2" plastic coated tubing and to set a packer at 540-550 feet. From 570-694 feet, the Exxon State No. 8 well is 4 3/4" open hole.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

ADI Tension packer plastic-coated.

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.

The Exxon State No. 8 injects water into the Magruder (Yates) field in the Yates Formation.

(2) The injection interval and whether it is perforated or open-hole.

The injection interval is from 550 feet to the bottom of packer, the open hole from 570 feet below the surface to 694 feet.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

The Exxon State No. 8 well was originally drilled as an oil well. It was permitted as an injection well in 1977.

(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.

There are no 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.

Please see Attachment 5.

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.

Proof of notice is provided in Attachment 5.

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.

APPLICATION FOR AUTHORIZATION TO INJECT

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

The application qualifies for administrative approval under 19.15.701(E) NMAC if no protests are filed.

- II. OPERATOR: **Mesquite SWD, Inc.**

ADDRESS: **P.O. Box 1479
Carlsbad, NM 88220**

CONTACT PARTY: **Clay Wilson**

PHONE: **(575) 705-1840**

- 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:

The project was approved by Order No. SWD-180, Attachment 1(A).

Please see additional explanation under Attachment 1.

- 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.

Please see Attachment 2, Map, and Attachment 3, Assessment of the Geological Structure and Stratigraphy and Hydrogeological Setting of the Mesquite Exxon State No. 8 Saltwater Disposal Well and Other Wells in and around Section 15, Township 21 South, Range 27 East, Eddy County, New Mexico ("Hydrogeological Report"), Figure 1a, page 3.

- 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.

Please see Attachment 3, Section V, Figure 10, page 21, and Figure 11, page 22.

- VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;

The proposed daily average injection rate is 6,800 barrels. The proposed maximum daily injection rate is 15,000 barrels.

2. Whether the system is open or closed;

The system is closed.

3. Proposed average and maximum injection pressure;

The proposed average daily injection pressure is 15 pounds. The proposed maximum injection pressure is 120 pounds.

4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,

This permit modification seeks to reinject produced water.

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.).

The zone within one mile of the Exxon State No. 8 produces oil and gas.

- *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.

Please see Attachment 3.

- IX. Describe the proposed stimulation program, if any.

There is no proposed stimulation program.

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

Please see Attachment 1(C) – 1(H), and Attachment 4, Injection Well Data Sheet. Additional logging and test well data has been previously to the OCD.

- *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.

There are no fresh water wells within one mile of the Exxon State No. 8. Please see Attachment 3, Section VI, page 19.

- 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.

Please see Attachment 3, Section VII, page 20.

- 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: **Clay Wilson**

TITLE: **President**

SIGNATURE: Clay Wilson, by [Signature]

DATE: 6.24.08

E-MAIL ADDRESS: **claywilson@pccnm.com**

- * 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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office