

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:**

**IN THE MATTER OF MESQUITE SWD, INC.'S APPLICATION NO. PKVR0817936301
TO AMEND PERMIT SWD-180**

RECEIVED
2008 DEC 8 PM 3

**Case No. 14178
Order No. R-13043**

MESQUITE SWD, INC.'S MOTION TO ALLOW TEMPORARY INJECTION

Pursuant to the New Mexico Oil Conservation Division's authority under NMSA 1978 Section 70-2-5 and 70-2-6, Mesquite SWD, Inc. ("Mesquite") moves the New Mexico Oil Conservation Division ("NMOCD") to allow Mesquite to inject produced water into the Exxon State No. 8 disposal well pending the outcome of the Rehearing on Order No. 14178, scheduled for the December 18, 2008 docket. As grounds for this Motion, Mesquite states:

1. The Exxon State No. 8, operated by Mesquite, has been shut-in for seven months, since May 9, 2008, pending hearing on and resolution of Mesquite's Application to Amend Order No. SWD-180 to Inject Salt Water.
2. On October 15, 2008, Division Examiners David Brooks, Richard Ezeanyim, and Terry Warnell held a hearing on Mesquite's Application.
3. On November 7, 2008, the NMOCD issued Order No. R-13043 approving Mesquite's Application subject to the conditions set forth in the Order.
4. The Order requires Mesquite to plug four wells before Mesquite commences injection

into the Exxon State No. 8.

5. The NMOCD has previously approved the plugging of two of these wells, the Magnolia State No. 3 and the Pure State No. 6. **Exhibit 1, Scout Report, Magnolia State No. 3, dated September 29, 1953; Exhibit 2, Miscellaneous Reports on Wells, Magnolia State No. 3, dated September 30, 1953; Exhibit 3, Form C-102, Pure State No. 6, Dated July 3, 1957; Exhibit 4, Miscellaneous Report, Pure State No. 6, dated July 11, 1957.** The Magnolia State No. 3 was plugged and abandoned on September 29, 1953, and the NMOCD approved the plugging on September 30, 1953. **Ex. 1; Ex. 2.** Similarly, the NMOCD records demonstrate that the operator of the Pure State No. 6 well filed a Form C-102 to plug and abandon this well on July 3, 1957, which the NOMCD approved on the same day. **Ex. 3.** On July 11, 1957, a Miscellaneous Report, again approved by the NMOCD, detailed the plugging of the Pure State No. 6 well. **Ex. 4.**

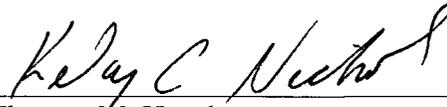
6. The other two wells, the Exxon State Nos. 2 and 7, are active producing wells operated by Mesquite SWD, Inc. **Exhibit 5, Production Data for the Exxon State No. 2; Exhibit 6, Production Data for the Exxon State No. 7; Hearing Tr., p. 23, l. 17-18.**

7. Mesquite will present evidence regarding the previous, approved plugging of the Magnolia State No. 3 and the Pure State No. 6 at the Rehearing on December 18, 2008. Mesquite will also present evidence showing that the Exxon Sate Nos. 2 and 7 are active producing wells.

WHEREFORE Mesquite requests that the NMOCD allow it to temporally inject produced water into the Exxon State No. 8 pending the resolution of these matters in the Rehearing.

Respectfully submitted,

HINKLE, HENSLEY, SHANOR & MARTIN, LLP



Thomas M. Hnasko
Kelcey C. Nichols
Post Office Box 2068
Santa Fe, NM 87504-2068
505.982.4554

Attorneys for Applicant Mesquite SWD, Inc.

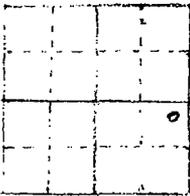
CERTIFICATE OF SERVICE

I hereby certify that on this on this 8th day of December 2008, I hand-delivered and sent via electronic mail a copy of the foregoing and *Mesquite SWD, Inc.'s Motion to Allow Temporary Injection* to:

Mr. Sonny Swazo, Esq.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505



Kelcey C. Nichols



County Eddy Depth 550 Pool Undesig. *

SCOUT REPORT
NEW MEXICO OIL CONSERVATION COMMISSION

Company Robt. W. Atha Well No. 3 Lease Magnolia-State

2310 Feet from S Line 330 Feet from E Line Sec. 15 Twp. 21S Rge. 27E

Land State Contractor Beadle & Yates

Elevation 3248 Spudded 9-19-53 Completed 9-29-53

T. A
T. X
B. X
T. Del. Li.
T. Del. Sd.
T. Y 544?
T. SR
T. Q
T. GB
T. SA
T. Glo.

T. CF Total Depth 560 li P. B.
T. Full. Top Pay District 8
T. Tu. I. P. BOPD
T. DR Base BO Hrs.
T. Wich. Alb. Choke: Inch
T. Abo Tubing @ Ft.
T. WC Pressures: Tubing Casing
T. Hu. GOR Gravity
T. Per-Pe Effective Perforations
T. Penn.
T. Strawn
T. Miss.

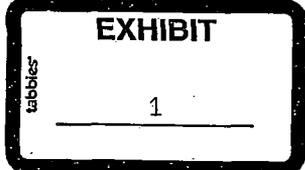
CSG. & CEMENTING REC'D

Size	Feet	Sax Cement
10-3/4"	40	7

T. WF Acid & Shooting Record:
T. Dev. From To
T. Sil. From To
T. Mon. From To
T. Simp. From To
T. Mck
T. Ell.
T. G.W.
T. Gr. SHOWS
T. S/50 544
T. S/ sub water 552 to 560
T. S/
T. S/
T. S/
T. S/

Sep 23 Drlg. 210 anhy & gyp

T.D. 560 li
sub wtr at T.D.



NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

MISCELLANEOUS REPORTS ON WELLS

Submit this report in TRIPLICATE to the District Office, Oil Conservation Commission, within 10 days after the work specified is completed. It should be signed and filed as a report on Beginning Drilling Operations, Results of test of casing shut-off, result of plugging of well, result of well repair, and other important operations, even though the work was witnessed by an agent of the Commission. See additional instructions in the Rules and Regulations of the Commission.

Indicate Nature of Report by Checking Below

REPORT ON BEGINNING DRILLING OPERATIONS		REPORT ON RESULT OF TEST OF CASING SHUT-OFF		REPORT ON REPAIRING WELL	
REPORT ON RESULT OF PLUGGING WELL	X	REPORT ON RECOMPLETION OPERATION		REPORT ON (Other)	

Sept. 30, 1953
(Date)

Artesia, N. M.
(Place)

Following is a report on the work done and the results obtained under the heading noted above at the

Robt. W. Atha
(Company or Operator)

Magnolia-Statco
(Lease)

Beadle & Yates
(Contractor)

Well No. 3 in the NE 1/4 SE 1/4 of Sec. 15

T. 21S, R. 27E, NMPM, Undesignated Pool, Eddy County.

The Dates of this work were as follows:

Notice of intention to do the work (~~was~~ (was not) submitted on Form C-102 on _____, 19____, and approval of the proposed plan (was) (~~was not~~) obtained. Orally Sept. 28, 1953
(Cross out incorrect words)

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

Total Depth 560'. Cement plug 560 to 530' and mud ~~incrustation~~ to base of 10" casing at 35' 7". 3 sack cement plug in top of 10" casing. Regulation marker set and location cleaned.



Witnessed by _____ (Name) _____ (Company) _____ (Title)

Approved: OIL CONSERVATION COMMISSION

L. A. Hanson
(Name)

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name: Robt. W. Atha
Position: Owner

Representing: Self
Address: 1504 Highland Rd., Roswell, N. M.

(Title) (Date)

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

RECEIVED

JUL 3 1957

MISCELLANEOUS NOTICES

Submit this notice in TRIPPLICATE to the District Office, Oil Conservation Commission, before the work specified is to begin. A copy will be returned to the sender on which will be given the approval, with any modifications considered advisable, or the Oil Conservation Commission or agent, of the plan submitted. The plan as approved should be followed, and work should not begin until approval is obtained. See additional instructions in the Rules and Regulations of the Commission.

Indicate Nature of Notice by Checking Below

NOTICE OF INTENTION TO CHANGE PLANS		NOTICE OF INTENTION TO TEMPORARILY ABANDON WELL		NOTICE OF INTENTION TO DRILL DEEPER	
NOTICE OF INTENTION TO PLUG WELL	X	NOTICE OF INTENTION TO PLUG BACK		NOTICE OF INTENTION TO SET LINER	
NOTICE OF INTENTION TO SQUEEZE		NOTICE OF INTENTION TO ACIDIZE		NOTICE OF INTENTION TO SHOOT (Nitro)	
NOTICE OF INTENTION TO GUN PERFORATE		NOTICE OF INTENTION (OTHER)		NOTICE OF INTENTION (OTHER)	

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Carlsbad, N. Mex.

7/3/57

Gentlemen:

Following is a Notice of Intention to do certain work as described below at the Pure State No. 6

Everett D. BURGESS (Company of Operator) Pure State Lease Well No. 6 in 0 (Unit)
SW 1/4 SE 1/4 of Sec. 15, T. 21, R. 27, NMPM, Magruder Yates Pool
Eddy County.

FULL DETAILS OF PROPOSED PLAN OF WORK
(FOLLOW INSTRUCTIONS IN THE RULES AND REGULATIONS)

Plug well with 10 sacks of cement in the bottom and fill to surface with drilling with marker and cement cap in the top

This program was approved by the State Water District Engineers Office

JUL 3 1957

Approved....., 19.....
Except as follows:

Approved
OIL CONSERVATION COMMISSION
By: M. L. Armstrong
Title: OIL AND GAS INSPECTOR

Everett D. BURGESS
Company of Operator
By: [Signature]
Position: Operator
Send Communications regarding well to:
Name:
Address:

EXHIBIT
3

RECEIVED
(Revised 3-55)

NEW MEXICO OIL CONSERVATION COMMISSION
MISCELLANEOUS REPORTS ON WELLS

JUL 11 1957

(Submit to appropriate District Office as per Commission Rule 1106)

COMPANY Everett (Address)

LEASE W. S. State WELL NO. 6 UNIT S 15 T 1 R 17

DATE WORK PERFORMED 7/2/57 POOL Appaloosa

This is a Report of: (Check appropriate block) Results of Test of Casing Shut-off
 Beginning Drilling Operations Remedial Work
 Plugging Other

Detailed account of work done, nature and quantity of materials used and results obtained.

10 sacks of cement was run in to bottom and then mud was used to fill to surface with cement cap and pipe marker.

FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

Original Well Data:

DF Elev. _____ TD _____ PBD _____ Prod. Int. _____ Compl Date _____

Tbng. Dia _____ Tbng Depth _____ Oil String Dia _____ Oil String Depth _____

Perf Interval (s) _____

Open Hole Interval _____ Producing Formation (s) _____

RESULTS OF WORKOVER:	BEFORE	AFTER
Date of Test	_____	_____
Oil Production, bbls. per day	_____	_____
Gas Production, Mcf per day	_____	_____
Water Production, bbls. per day	_____	_____
Gas-Oil Ratio, cu. ft. per bbl.	_____	_____
Gas Well Potential, Mcf per day	_____	_____
Witnessed by _____		

(Company)

OIL CONSERVATION COMMISSION

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name M. L. Armstrong

Title OIL AND GAS INSPECTOR

Date JUL 11 1957

Name _____

Position operator

Company _____

EXHIBIT

Kelcey Nichols

From: Perini, Cindy [cperini@velaw.com]
Sent: Wednesday, November 12, 2008 1:10 PM
To: Clay Wilson; Dave Perini; Kay Havenor; Tom Hnasko; Kelcey Nichols
Subject: Production Report for Exxon 2 - API 30-015-01092

Importance: High

Here is the production report from Exxon State 2 from the OCD website showing that the well has been producing since Mesquite took over the lease. I have also included the actual link.

Thanks,
Cindy

From: Johnny Hinojos [mailto:jhinojos@plateautel.net]
Sent: Wednesday, November 12, 2008 2:02 PM
To: Perini, Cindy
Subject: Emailing: GO-TECH ONGARD Single Results

http://octane.nmt.edu/gotech/Petroleum_Data/single.aspx?API=3001501092&StartYear=2006&EndYear=2008&Production=True&Injection=False

View Production Data

In Internet Explorer, right click and select [Save Target As...]
In Netscape, right click and select [Save Link As...]

Download: [API_NO_3001501092.csv](#)

API #: 3001501092 **Well Name:** EXXON STATE # 002
Location: J-15-21.0S-27E , 1650 FSL, 2310 FEL **Lat:** 32.4773634192 **Long:** -104.176625242
Operator Name: MESQUITE SWD, INC [[Operator and Lessee Info](#)] **County:** Eddy
Land Type: State **Well Type:** Oil **Spud Date:** **Plug Date:**
Elevation GL: 3282 **Depth TVD:** 576
Pools associated:

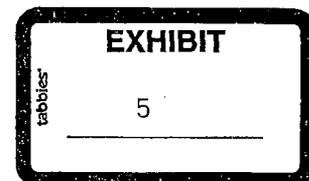
- [MAGRUDER;YATES](#) **Total Acreage:** 40.00 **Completion:** 1 [Summary of Production](#)
- [Show All](#)

Year: 2006

Pool Name:
MAGRUDER;YATES

Month

Oil(BBLS) Gas(MCF) Water(BBLS) Days Produced



January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
October	0	0	0	0
November	0	0	0	0
December	30	0	225	31

Year: 2007

Pool Name: MAGRUDER;YATES

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	30	0	190	31
February	9	0	60	28
March	21	0	90	31
April	6	0	90	30
May	6	0	90	31
June	0	0	0	0
July	20	0	30	31
August	0	0	27	7
September	0	0	480	30
October	9	0	390	31
November	1	0	30	30
December	3	0	90	31

Year: 2008

Pool Name: MAGRUDER;YATES

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	0	0	0
February	9	0	27	29
March	30	0	40	31
April	15	0	66	30
May	0	0	0	0
June	0	0	0	0

July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0

Treasury Circular 230 Disclosure: To the extent this communication contains any statement regarding federal taxes, that statement was not written or intended to be used, and it cannot be used, by any person (i) as a basis for avoiding federal tax penalties that may be imposed on that person, or (ii) to promote, market or recommend to another party any transaction or matter addressed herein.

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. This email is intended to be reviewed by only the individual or organization named above. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system.

Thank You.

Kelcey Nichols

From: Perini, Cindy [cperini@velaw.com]
Sent: Wednesday, November 12, 2008 1:14 PM
To: Clay Wilson; Dave Perini; Kay Havenor; Tom Hnasko; Kelcey Nichols
Subject: Production Report for Exxon State 7 from OCD website

Here is the production report from Exxon State 7 from the OCD website showing that the well has been producing since Mesquite took over the lease. I have also included the actual link.

Thanks,
Cindy

From: Johnny Hinojos [mailto:jhinojos@plateautel.net]
Sent: Wednesday, November 12, 2008 2:04 PM
To: Perini, Cindy
Subject: Emailing: GO-TECH ONGARD Single Results

http://octane.nmt.edu/gotech/Petroleum_Data/single.aspx?API=3001501100&StartYear=2006&EndYear=2008&Production=True&Injection=False

View Production Data

In Internet Explorer, right click and select [Save Target As...]
In Netscape, right click and select [Save Link As...]

Download: [API_NO_3001501100.csv](#)

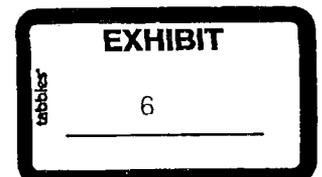
API #: 3001501100 **Well Name:** EXXON STATE # 007
Location: O-15-21.0S-27E , 990 FSL, 2310 FEL **Lat:**32.475549137 **Long:**-104.176630903
Operator Name: MESQUITE SWD, INC [[Operator and Lessee Info](#)] **County:** Eddy
Land Type: State **Well Type:** Oil **Spud Date:** **Plug Date:**
Elevation GL: 3284 **Depth TVD:** 580
Pools associated:

- [MAGRUDER;YATES](#) **Total Acreage:** 40.00 **Completion:** 1 [Summary of Production](#)
- [Show All](#)

Year: 2006

Pool Name:
MAGRUDER;YATES

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	0	0	0
February	0	0	0	0



March	0	0	0	0
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
October	0	0	0	0
November	0	0	0	0
December	15	0	225	31

Year: 2007

Pool Name: MAGRUDER;YATES

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	30	0	210	31
February	3	0	30	28
March	6	0	60	31
April	6	0	60	30
May	6	0	60	31
June	0	0	0	0
July	60	0	30	31
August	0	0	30	7
September	6	0	150	30
October	3	0	130	31
November	1	0	30	30
December	6	0	60	31

Year: 2008

Pool Name: MAGRUDER;YATES

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	0	0	0
February	15	0	69	29
March	10	0	30	31
April	19	0	33	30
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0

September	0	0	0	0
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0

Treasury Circular 230 Disclosure: To the extent this communication contains any statement regarding federal taxes, that statement was not written or intended to be used, and it cannot be used, by any person (i) as a basis for avoiding federal tax penalties that may be imposed on that person, or (ii) to promote, market or recommend to another party any transaction or matter addressed herein.

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. This email is intended to be reviewed by only the individual or organization named above. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system.

Thank You.

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:**

**IN THE MATTER OF MESQUITE SWD, INC.'S APPLICATION NO. PKVR0817936301
TO AMEND PERMIT SWD-180**

**Case No. 14178
Order No. R-13043**

**ORDER GRANTING MESQUITE SWD INC.'S MOTION TO
ALLOW TEMPORARY INJECTION**

THIS MATTER having come before the Division Examiner on Mesquite SWD, Inc.'s ("Mesquite's") Motion to Allow Temporary Injection and the Division Examiner having reviewed the briefing by Mesquite and being otherwise fully advised in the premises, finds that Mesquite's Motion shall be granted.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that, pending the resolution of the matters in the Rehearing on December 18, 2008, Mesquite's Motion to Allow Temporary Injection shall be granted and Mesquite may inject produced water into the Exxon State No. 8.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E.
Director

Submitted by:

HINKLE, HENSLEY, SHANOR & MARTIN, L.L.P.

By: 

Thomas M. Hnasko

Kelcey C. Nichols

P.O. Box 2068

Santa Fe, NM 87504-2068

(505) 982-4554

Counsel for Mesquite SWD, Inc.