

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



August 20, 2018

Ms. Stormi Davis
Mesquite SWD, Inc.
P. O. Box 1479
Carlsbad, NM 88220

RE: Administrative Order SWD-1641; First Extension of Deadline to Commence Injection

Outer Banks SWD Well No. 1 (API 30-015-43868)
Unit I, Sec 13, T20S, R29E, NMPM, Eddy County, New Mexico
Order Date: August 4, 2016
Injection into the Devonian formation; permitted interval: 13180 feet to 14180 feet

Dear Ms. Davis:

Reference is made to your request on behalf of Mesquite SWD, Inc. (the "operator") to extend the deadline stipulated in order SWD-1641 based upon the approval date of August 4, 2016, to commence injection for the above referenced well for an additional one year for reasons outlined in the attached correspondence.

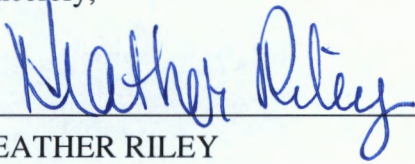
It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership.

The Division finds that granting this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment.

The deadline to commence injection for the existing order is hereby extended until August 4, 2019. All requirements of the above referenced administrative order and agreements in the application remain in full force and effect. Any additional extension of the deadline to commence injection for

this administrative order will not be considered unless the operator has commenced drilling the referenced well. Otherwise, the injection authority shall expire under the terms of the extended administrative order and the operator shall be required to submit a new application to obtain injection authority for the referenced well.

Sincerely,

A handwritten signature in blue ink, appearing to read "Heather Riley", is written over a horizontal line.

HEATHER RILEY
Director

HR/prg

cc: Oil Conservation Division – Artesia District Office
SWD-1641
Well file 30-015-43868
Bureau of Land Management – Carlsbad Field Office

MESQUITE SWD, INC.

PO Box 1479
CARLSBAD, NM 88220
575-628-0391

June 19, 2018

New Mexico Oil Conservation Division
Attention: Mr. Phillip Goetze
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for Permit Approval Extension
C-108 Authorization to Inject (Order SWD-1641)
Approved August 4, 2016
Outer Banks SWD #1 (API# 30-015-43868)
Township 20 South, Range 29 East, N.M.P.M.
Section 13: 1990' FSL & 955' FEL
Eddy County, NM

Dear Mr. Goetze:

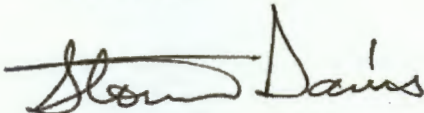
Mesquite SWD, Inc. respectfully requests administrative approval for a one year extension of the approved C-108 authorization to inject for the above referenced well.

The drilling of this well was postponed due to rig availability and prioritized drilling in 2018. We plan to drill this well in late 2018 or 2019. I have attached a map showing all wells within one mile. No wells have been drilled within the one mile area of review that penetrate the injection formation

Please contact me at 575-308-3765 if you need further information.

Thank you for your consideration of this request.

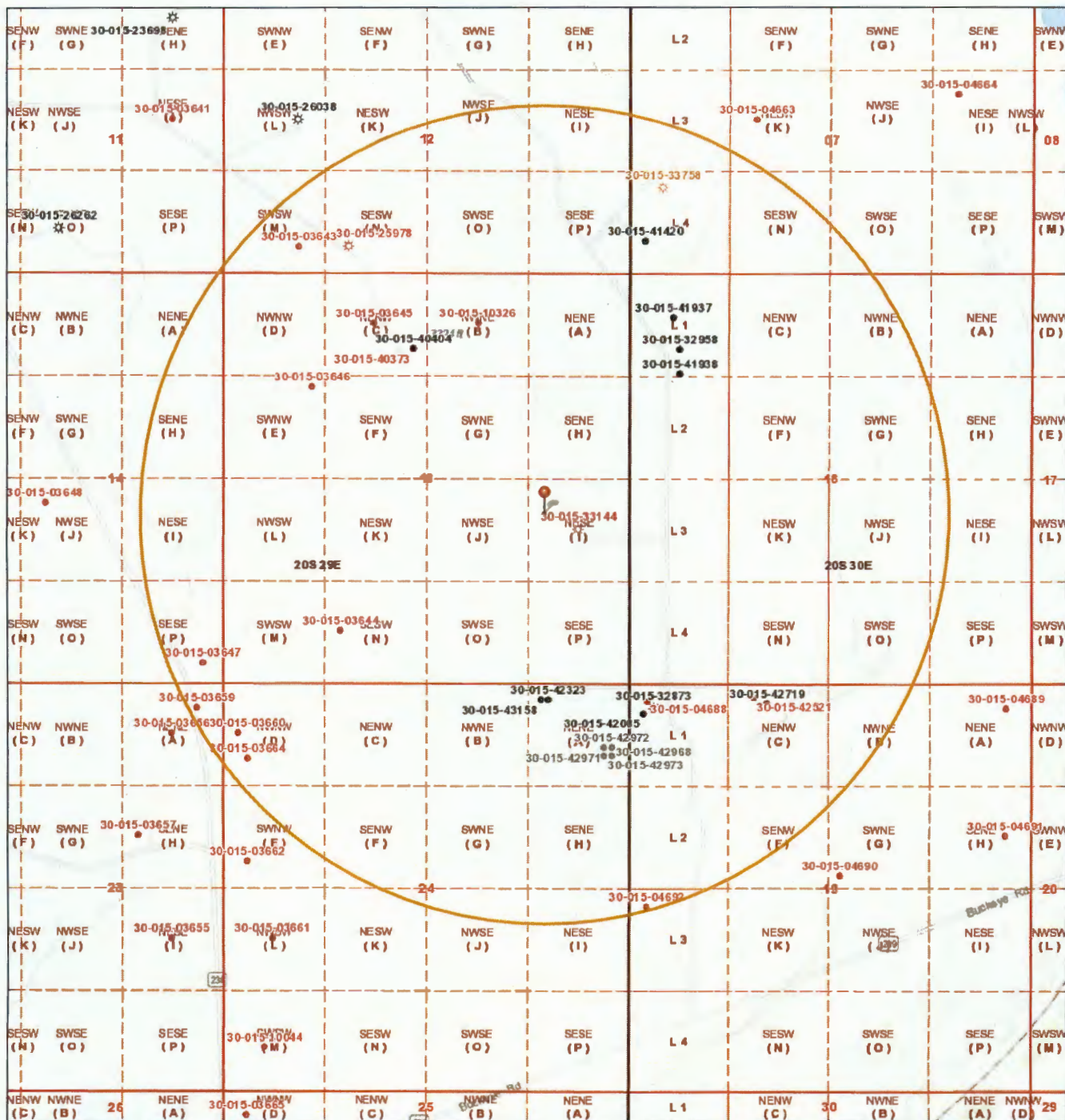
Sincerely,



Stormi Davis
Regulatory Analyst

Attachment

OCD Well Locations



6/19/2018 1:52:07 PM

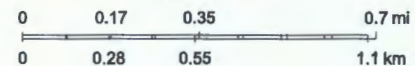
1:18,056

- Well Locations - Large Scale**
- Miscellaneous
 - ✱ CO2 Active
 - ✱ CO2 Cancelled
 - ✱ CO2 New
 - ✱ CO2, Plugged
 - ✱ CO2, Temporarily Abandoned
 - ✱ Gas Active
 - ✱ Gas, Cancelled, Never Drilled
 - ✱ Gas, New
 - ✱ Gas, Plugged
 - ✱ Gas, Temporarily Abandoned
 - ✱ Injection, Active
 - ✱ Injection, Cancelled
 - ✱ Injection, New
 - ✱ Injection, Plugged
 - ✱ Injection, Temporarily Abandoned
 - Oil, Active
 - Oil, Cancelled
 - Oil, New
 - Oil, Plugged
 - Oil, Temporarily Abandoned
 - ▲ Salt Water Injection, Active
 - ▲ Salt Water Injection, Cancelled
 - ▲ Salt Water Injection, New
 - ▲ Salt Water Injection, Plugged
 - ▲ Salt Water Injection, Temporarily Abandoned

- Water, Active
- Water, Cancelled
- Water, New
- Water, Plugged
- Water, Temporarily Abandoned

Well Locations - Small Scale

- Active
- New
- Plugged
- Cancelled
- Temporarily Abandoned
- PLSS First Division
- PLSS Second Division
- PLSS Third Division



Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, MET/NASA, EPA, USDA, OCD, BLM

New Mexico Oil Conservation Division
New Mexico Oil Conservation Division

Goetze, Phillip, EMNRD

From: Stormi Davis <ssdavis104@gmail.com>
Sent: Tuesday, June 19, 2018 2:08 PM
To: Goetze, Phillip, EMNRD
Subject: Outer Banks SWD #1 - Request for Permit Approval Extension
Attachments: Outer Banks SWD #1 1-mile map.pdf; Outer Banks SWD #1 -Request for extension.jpg

Please see attached extension request for your review.

Thank you.

Stormi Davis