

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



Mesquite SWD, Inc  
161968

RECEIVED OOD

ABOVE THIS LINE FOR DIVISION USE ONLY

2012 PUBLIC AFF. SWD #2

## ADMINISTRATIVE APPLICATION CHECKLIST

30-025-N/A

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

O-Sec 87. T255, 32E

Lea/Fed

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
[B] ☒ Offset Operators, Leaseholders or Surface Owner  
[C] ☒ Application is One Which Requires Published Legal Notice  
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
[F] ☐ Waivers are Attached

4750'-7100'  
O.H.  
950PSZ

### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kay Havenor

*Kay Havenor*

Agent

3/7/2012

Print or Type Name

Signature

Title

Date

KHavenor@georesources.com  
e-mail Address

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage  
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: Mesquite SWD, Inc  
ADDRESS: P.O. Box 1478 Carlsbad, NM 88220  
CONTACT PARTY: Kay Havenor PHONE: 575-626-4518
- 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 X No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- 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.
- 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.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  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.).
- \*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.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*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.
- 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.
- 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: Kay Havenor TITLE: Agent
- SIGNATURE: Kay C Havenor DATE: March 7, 2012
- E-MAIL ADDRESS: KHavenor@georesources.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: \_\_\_\_\_

### 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.
- (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.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

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.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (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.
- (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.

### 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.

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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.

## INJECTION WELL DATA SHEET

OPERATOR: Mesquite SWD, Inc. (OGRID 161968)WELL NAME & NUMBER: Paduca Federal SWD #2 30-025-NA (New Drill)WELL LOCATION: 500' FSL & 2000' FEL O 22 25S 32E  
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICPROPOSED WELL CONSTRUCTION DATASurface CasingHole Size: 20" Casing Size: 16" ConductorCemented with:        sx. or 144 ft<sup>3</sup>Top of Cement: Surface Method Determined: OprIntermediate CasingHole Size: 12-1/4" Casing Size: 9-5/8" 40# K-55Cemented with: ~~400~~ 506 sx. or        ft<sup>3</sup>Top of Cement: Surface Method Determined: OprProduction CasingHole Size: 8-5/8" Casing Size: 7" 23# K-55 to 4.750'Cemented with: ~~500~~ 2200 sx. or        ft<sup>3</sup>Top of Cement: Surface Method Determined: OprTotal Depth: 7,300' PBTD 7,100'  
Injection IntervalApproximately 4,750' To Approximately 7,100'(Perforated or Open Hole; indicate which) Open Hole

See attached diagram

# INJECTION WELL DATA SHEET

Tubing Size: 3-1/2" 9.3# N-80 Lining Material: Fiberglass coated

Type of Packer: Lok-Set or equivalent

Packer Setting Depth: Approx 4,700 ft

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

## Additional Data

1. Is this a new well drilled for injection? X Yes    No

If no, for what purpose was the well originally drilled? \_\_\_\_\_

2. Name of the Injection Formation: Delaware Bell Canyon and Cherry Canyon

3. Name of Field or Pool (if applicable): \_\_\_\_\_

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No \_\_\_\_\_

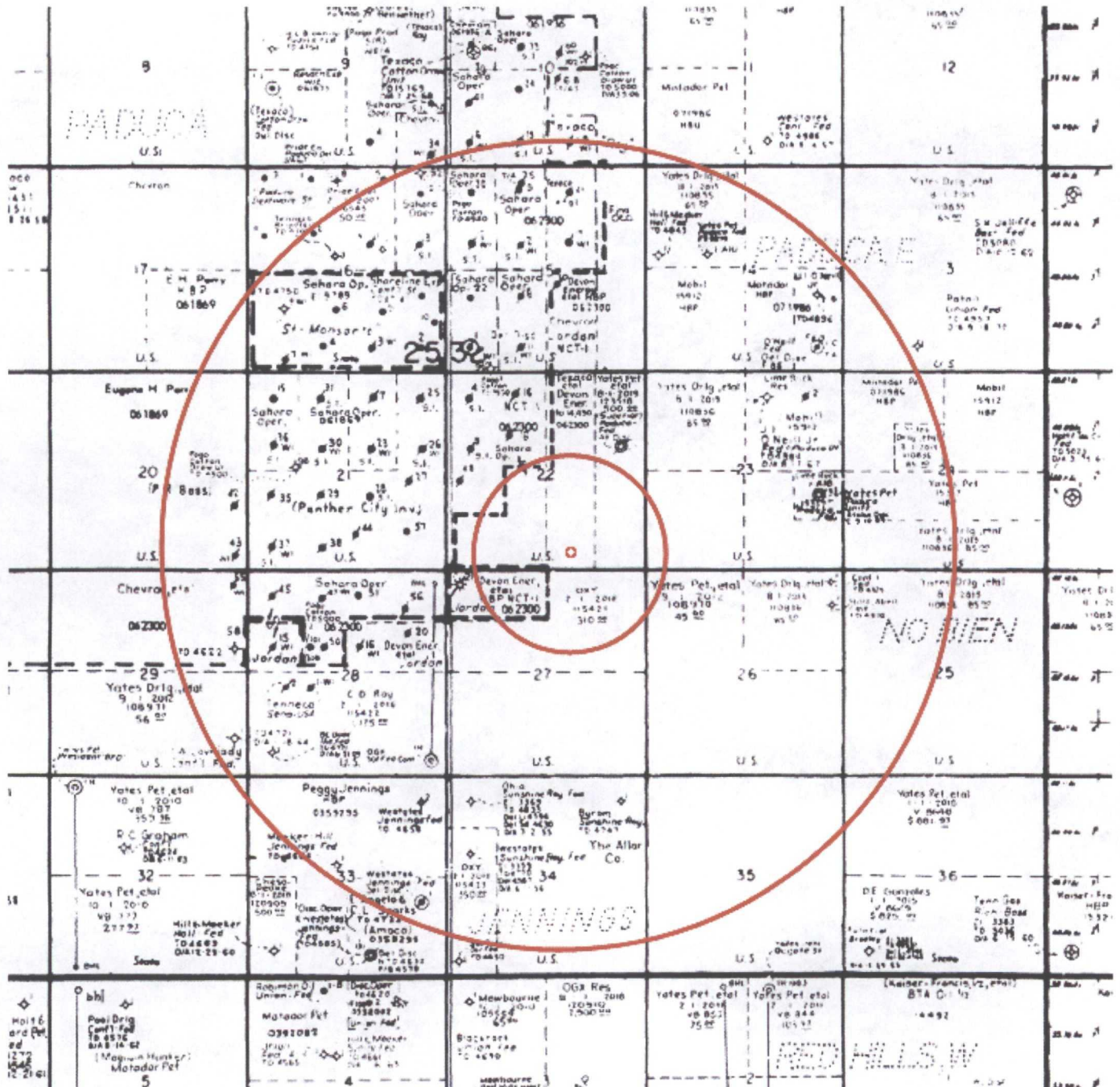
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Rustler 760' - Lamar 4,700', Bell Canyon 4,750, Cherry Canyon 5,825', Brushy Canyon 7150'.

Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

Item V:

Area of Review  
½ Mile AOR and 2 Mile Radius



Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

**Item VI:** Data on wells in AOR:

There are no known wells within the AOR.

**Item VII:**

1. The maximum injected volume anticipated is 5,000 BWPD. Average anticipated is 3,500 BWPD.
2. Injection will be through a closed system.
3. Maximum injection pressure is expected to be 950 psi, or as controlled by depth.
4. Sources will be produced water that is compatible with known waters in the disposal zones.
5. Water sample analyses from the OXY Cotton Draw Unit No. 4, Unit D, Sec. 22, T25S-R32E, Lea Co., is shown below, TDS 276,839 mg/l (Source: NM WAIDS):



**Water Samples for Well COTTON DRAW UNIT 004**

**API = 3002508221**

**Formation = DEL**

**Field = PADUCA**

**Current Water Production Information**

**Instructions:**



For general information about this sample.



For scale calculation pages (Stiff-Davis or Oddo Tomson methods).



To select **this water sample** for water mixing. It will lead to the main page, and add the sample ID to the mixing table.



Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes and click Submit for multiple samples

The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3	K	Na	Ca	Mg
	4293											
<input type="checkbox"/>		25S	32E	22	552	170500	null	198	null	null	null	null

Before disposal the interval will be evaluated to confirm the absence of commercial hydrocarbons.

**Item VIII:**

Disposal will be into the Delaware Mountain Group (Delaware). The Delaware is comprised of sandstones, dolomites, and shales. The proposed disposal interval is in the Bell Canyon and the Cherry Canyon. All the Delaware members are interbedded sandstones and shales with occasional dolomite horizons. The lateral transmissivities of the sandstone beds are highly variable and often form selective barriers to the movement of hydrocarbons while allowing down-gradient movement of water. The transmissivity variations are fundamentally due to 1) the very-fine grained nature of the sands and 2) the local percentage of silt and clay. The Delaware sandstone members are typically overlain and underlain by bounding shale, dolomite, and/or silty shale horizons. The depth to the Delaware Mountain Group (top of Lamar) in this well is approximately 4,700'. The base of the Delaware (top of Bone Springs Formation) is estimated at approximately 8,750'.

There is no known fresh, potable or stock water within a 2-mile radius. Records from the New Mexico Office of the State Engineer on 2/23/2012 show no known water wells within the 2-mile radius of the proposed Mesquite SWD disposal well.



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*New Mexico Office of the State Engineer*  
**Wells with Well Log Information**

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No wells found.

Basin/County Search:

Basin: Lea County

UTMNA83 Radius Search (in meters):

Easting (X): 626414

Northing (Y): 3553233

Radius: 3220

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The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

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2/23/12 10:50 AM

WELLS WITH WELL LOG INFORMATION

The surface geology of the greater area, including the 2-mile radius as shown in Item V above, is Quaternary eolian and piedmont deposits of Holocene to middle Pleistocene age. These are underlain by the Permian Rustler Formation and evaporites. Based upon surface geology and local shallow e-logs the depth to potential potable water, if present, is estimated to be less than 130'.



Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

**Item IX:**

No formation stimulation is currently planned.

**Item X:**

Logs will be filed with the OCD upon completion of the well.

**Item XI:**

No water wells are reported in the 2-mile radius of the proposed SWD. Please note Item VIII discussion above.

**Item XII:**

There is no geological evidence of open faults or hydrologic connection between the disposal zone and any possible underground sources of protectable water.

**Amendment:**

Drilling/evaluation of this Delaware interval in the greater area around the proposed location has demonstrated a lack of reasonable potential for commercial hydrocarbon production by horizontal or conventional vertical drilling. The proposed interval has been without significant hydrocarbon shows in the formations south and east of the Cotton Draw Unit area. The proposed interval is currently used for SWD to the north in Sec. 22 (Mesquite SWD, Inc. Paduca Federal SWD #1) outside the present AOR.

Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

## Proposed Drilling/Completion of Paduca Federal SWD #2 Well

### Proposed New Well Completion Diagram

API: 30025xxxxx  
Operator: Mesquite SWD, Inc.  
Lease: Paduca Federal SWD  
Location: Sec 15, T25S-R32E Lea Co., NM  
Footage: 500 FSL, 2000 FEL

Well No: 2

KB: 3409 Est  
GL: 3392 Topo

#### Surface Csg

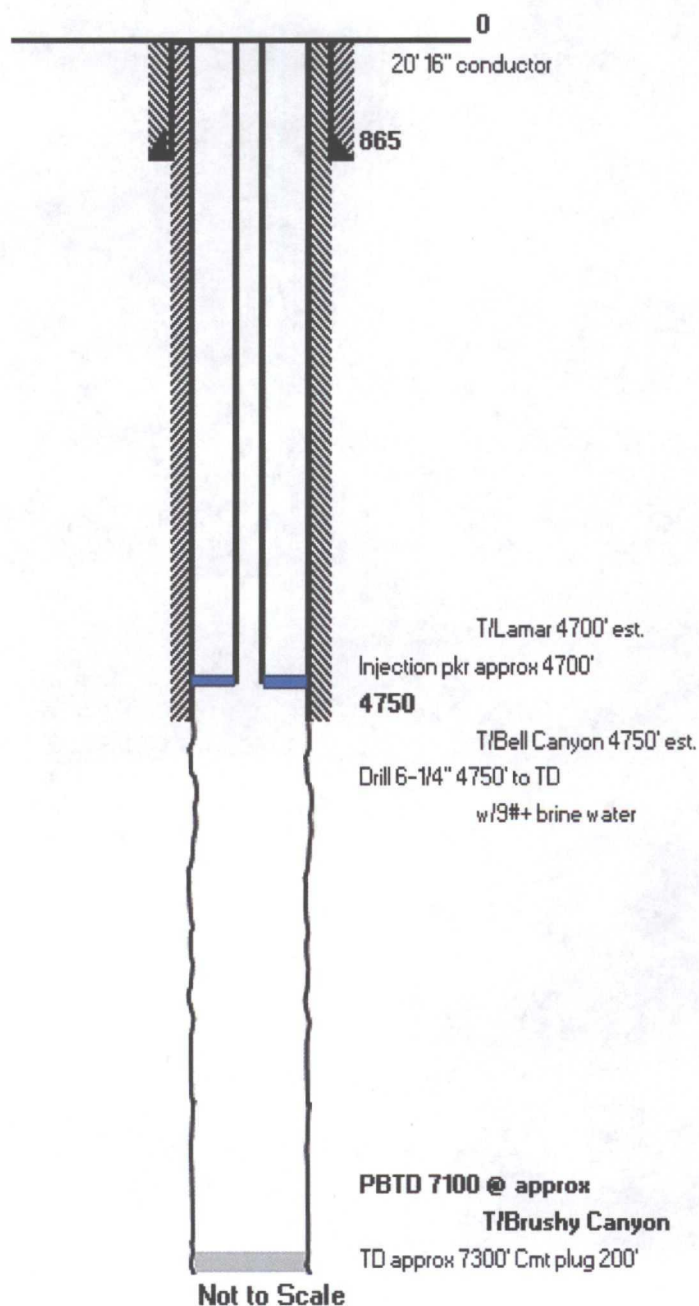
Size: 9-5/8" 36# K-55  
Set @: 865  
Sxs cmt: 500  
Circ: Yes s  
TOC: Surface  
Hole Size: 12-1/4"

#### Production Csg

Size: 7" 23# K-55  
Set @: 4750  
Sxs cmt: 2200  
Circ: Circ to Surface  
TOC: Surface  
Hole Size: 8-5/8"

Tubular requirements (made-up):  
4700' 3-1/2" N80 9.3# upset Fiberglass coated  
Lok-Set packer or equivalent approx 4700'

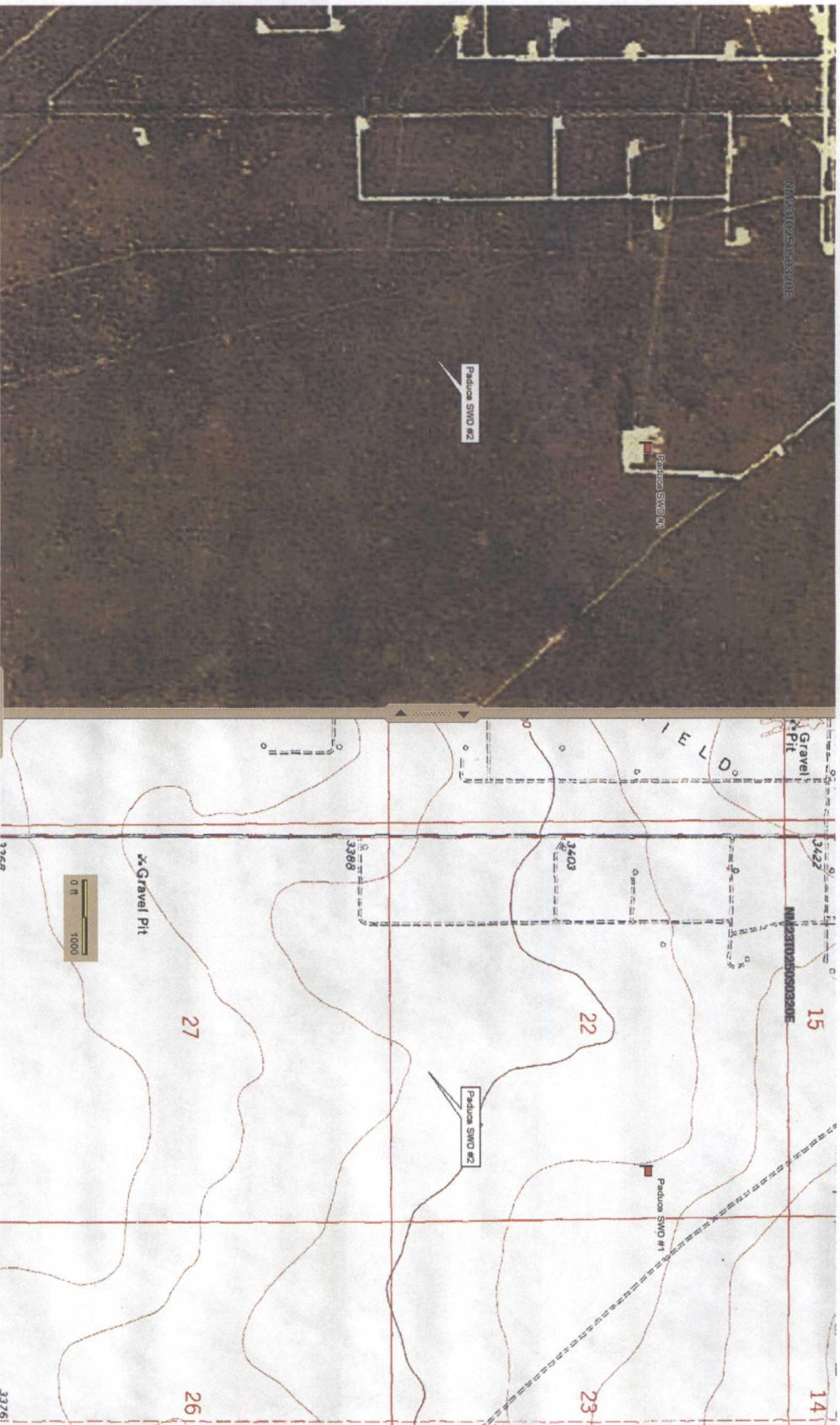
Load tubing annulus w/corrosion inhibitor  
Complete surface head for disposal



Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

### SPOT10 Satellite and Matching Topographic Map



Delorme Xmap6

Paduca Federal SWD #2 is located 7.3 miles south of NM-128 and CR-1 (Orla Road) junction then 0.6 miles east.

Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

### Item XIII: Legal Publication

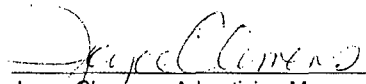
#### Affidavit of Publication

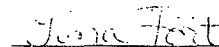
STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF LEA )

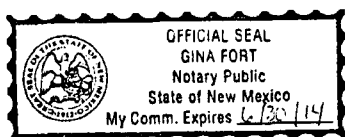
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of March 8, 2012 and ending with the issue of March 8, 2012.

And that the cost of publishing said notice is the sum of \$ 36.36 which sum has been (Paid) as Court Costs.

  
Joyce Clemens, Advertising Manager  
Subscribed and sworn to before me this 8th day of March, 2012.

  
Gina Fort  
Notary Public, Lea County, New Mexico  
My Commission Expires June 30, 2014



Legal Notice  
Mesquite SWD, Inc., c/o  
Kay Havenor, 904 Moore  
Ave, Roswell, NM 88201,  
(575) 626-4518, email:  
KHavenor@geore-  
sources.com, is seeking  
approval from the New  
Mexico Oil Conservation  
Division to drill and com-  
plete the Mesquite SWD,  
Inc. Paduca Federal SWD  
No. 2 well, API: unas-  
signed, located 500 feet  
from the south line and  
2,000 feet from the east  
line of Section 22, T25S,  
R32E, Lea County, NM,

from the junction of NM-  
128 and Lea Co. CR-1  
(Orla Road) south 7.3  
miles and east 0.6 miles,  
for commercial produced  
water disposal as the  
Mesquite SWD, Inc.  
Paduca Federal SWD No.  
2. The proposed disposal  
interval is in the Delaware  
Mountain Group beneath  
7" casing into open hole  
from approximately 4,750  
feet to approximately  
7,100 feet. Mesquite  
SWD, Inc plans to dispose  
of a maximum 5,000  
BWPD at a maximum  
pressure of 950 psi.

Parties with questions  
regarding this proposal  
are urged to contact Kay  
Havenor at the email  
address or phone number  
above. Interested parties  
must file objections or  
requests for hearing with-  
in 15 days to the New  
Mexico Oil Conservation  
Division, 1220 S. St.  
Francis Dr., Santa Fe, NM  
87505.

Published in the  
Lovington Leader March  
8, 2012.

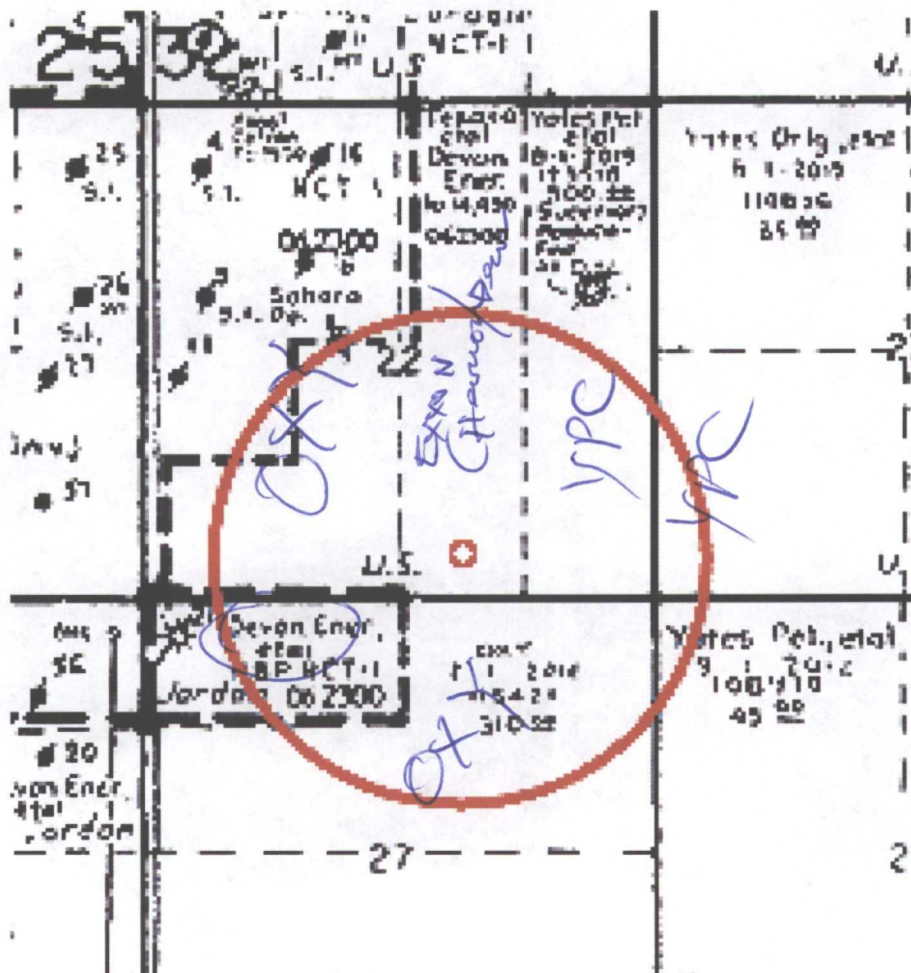


Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

Item V (a):

Area of Review  
½ Mile AOR



Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

**Item XIII: Proof of Notice**

**Minerals Owner:**

Bureau of Land Management  
620 E. Greene St.  
Carlsbad, NM 87220

**Surface BLM Lessee:**

Mr. Jeff Robbins  
301 Orla Rd.  
Jal, NM 88252

**Operators:**

Chevron USA, Inc.  
15 Smith Rd.  
Midland, TX 79705

W2/E2 Sec. 22

Devon Energy Operating Corp.  
20 N. Broadway  
Oklahoma City, OK 73102

W2/E2 Sec. 22  
N2/NW4 Sec. 27

Exxon Mobil Corporation  
P.O. Box 4358  
Houston, TX 77210-4358

W2/E2 Sec. 22

OXY USA, Inc.  
P.O. Box 27570  
Houston, TX 77210

W2 Sec. 22  
S2/NW, NE4 Sec. 27

Yates Petroleum Corporation  
105 S. 4th Street  
Artesia, NM 88210

E2/E2 Sec. 22  
W/4 Sec. 23  
NW/4 Sec/ 26

Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

Item XIII:

Certified Mail Receipts

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)  
For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$1.30
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$6.60</b>

Sent To: Bureau of Land Management  
Street, Apt. No., or PO Box No.: 620 E. Greene Street  
City, State, ZIP+4: Carlsbad, NM 88220

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
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For delivery information visit our website at [www.usps.com](http://www.usps.com)

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Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$6.60</b>

Sent To: Chevron-USA, Inc.  
Street, Apt. No., or PO Box No.: 15 Smith Rd.  
City, State, ZIP+4: Midland, TX 79705

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
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Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$6.60</b>

Sent To: Exxon Mobil Corporation  
Street, Apt. No., or PO Box No.: P.O. Box 4358  
City, State, ZIP+4: Houston, TX 77210-4358

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
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Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$6.60</b>

Sent To: Devon Energy Operating Corp.  
Street, Apt. No., or PO Box No.: 20 N. Broadway  
City, State, ZIP+4: Oklahoma City, OK 73102

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
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Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$6.60</b>

Sent To: Mr. Jeff Robbins  
Street, Apt. No., or PO Box No.: 301 Orla Rd.  
City, State, ZIP+4: Jal, NM 88252

PS Form 3800, August 2006 See Reverse for Instructions

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Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$6.60</b>

Sent To: OXY USA, Inc.  
Street, Apt. No., or PO Box No.: P.O. Box 27570  
City, State, ZIP+4: Houston, TX 77210

PS Form 3800, August 2006 See Reverse for Instructions

Mesquite SWD, Inc.  
Paduca Federal SWD #2  
500' FSL & 2000' FEL  
Sec. 22, T25S-R32E Lea County, NM

API 30-025-NA

**Item XIII:**

**Certified Mail Receipts (continued)**

U.S. Postal Service<sup>®</sup>  
**CERTIFIED MAIL<sup>™</sup> RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)  
For delivery information visit our website at [www.usps.com](http://www.usps.com)

1570 0003 3481 6274

ARTESIA, NM 88210

**OFFICIAL USE**

Postage	\$1.30
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.60

0602 WELLS NM  
03/08/2012

Sent To: Yates Petroleum Corporation  
Street Apt. No.: 105 S. 4<sup>th</sup> Street  
or PO Box No.:  
City, State, ZIP+4: Artesia, NM 88210

PS Form 3800, August 2006 See Reverse for Instructions



Miss	Row	C-108	<b>C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.</b>	
1			<b><u>Operator, Well, and Contact info:</u></b>	
2	II	Name of person submitting the application: Kay Havenor	Other Contact?	
3	II	Did you include a contact Email in the application? Yes and Mailing Address? Yes and Phone? Yes		
4	II	Operator Name: Mesquite SWD, Inc.	OGRID Num: 161968	
5		RULE 5.9 Compliance.... Number of Inactive Wells 0 vs Total Wells Operated 21 .... Is financial assurance required on any well? No Violation		
6		Is there any hearing order finding this operator out of compliance with Division Rule 19.15.5.9 NMAC? No		
7		Are all Rule 5.9 issues OK to allow the Division to issue Disposal Permits?		
8	III	Well Name: Paduca Federal SWD #2		
9	III	API Num: 30-025-unassigned	Spud Date: New drill	
10		Have you included API numbers on all wellbore diagrams and well list(s) in this application? Unassigned		
11	III	Proposed well...Footages 500' FSL & 2000' FEL	Unit O Sec 22 Tsp 25S	Rge 32E County Lea
12		General Location (i.e. Y miles NW of Z): From Jct NM-128 & Lea CR-1 (Orla Road) south 7.3 miles then 0.6 miles east		
13		Current Well Status: New drill		
14	I	General Summary of Planned Work to Well: New drill and case to approx 4,750', drill open-hole to approx 7,300' set 200' cmt plug, acidize openhole.		
15		<b><u>INTERVAL TOP and BOTTOM:</u></b>		
16	IIIB.(2)	Proposed disposal	Top Depth: 4,750'	Formation Name: Bell Canyon (include Member Names for Delaware or Mesaverde)
17	IIIB.(2)	Proposed disposal	Bottom Depth: approx 7,100'	Formation Name: Cherry Canyon
18	IIIB.(2)	Is the disposal interval OpenHole? X or Perfed? Openhole 4,950'-approx 7,000'		
19	IIIB.(2)	What will be the disposal tubing size OD? 3-1/2" Packer Seat Feet: approx 4,750'		
20	VII	What max surf inj. psi are you proposing? 950 If differing from 0.2 psi/ft surf. Grad., is supporting data attached such as a Step Rate Test?		

Miss	Row	C-108	<b>C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.</b>	
	21		<b><u>FRESH WATERS:</u></b>	
	22	VIII	Depth to bottom of Fresh Waters: _____ less than 130' if present _____ Formation Name(s)? _____ Quaternary alluvium _____	
	23	XI	Any Fresh Water Wells Within 1 Mile? _____ No _____ If so, did you attach an analysis from these Wells? _____	
	24		Are all "Fresh" waters isolated with Casing and Cement? _____ Yes _____ ("Fresh" water is defined as less than 10,000 mg/l of TDS)	
	25	XII	Included "Affirmative Statement" concerning any Connection from Disposal Depths to existing Fresh Waters? _____ Yes Item XII _____	
	26		<b><u>WASTE WATERS:</u></b>	
	27	XIV	Will this be a Lease Only disposal well? _____ or only used for the Operator's own waste needs? _____ or Commercial Disposal? _____ Yes _____	
	28	VII	Which formations will supply the waste waters to be disposed into this well... List most common...? Delaware Brushy Canyon - Bone Springs	
	29	VII	Are Waste waters compatible with proposed disposal interval waters? _____ Yes _____ Did you include waste water analysis? _____ Yes, Delaware water _____	
	30		<b><u>AT PROPOSED WELL....INSITU WATERS AND HYDROCARBON POTENTIAL:</u></b>	
	31		Is a discussion included of the potential for future OIL/GAS recovery from the proposed disposal interval? _____ Yes _____	
	32		If your proposed well for disposal is a depleted producer (within the proposed interval): do you know what was the cumulative oil/gas/water? _____ and did you include a Rate-Time plot of this depleted interval? _____	
	33	VII	Insitu water analysis Included? _____ Yes _____ Is the salinity within the disposal interval more than 10,000 mg/l of TDS? _____ Yes _____ or how will you determine this insitu water salinity? _____	
	34	VIII	Does the application include a list of Formation tops down to and including the bottom of the target formation? _____ Yes, on P&A diagram _____	
	35		What is the top main salt est 2,225' _____ and bottom est 4,450' _____ of the Salado Salt (...If this well is in the Southeast and the Salt is present)	
	36	X	Are all existing Logs (including any CBL over the disposal interval) are on the OCD Web Site? _____ If logs not there, please send _____ On completion _____	
	37	IIIA.	Are the wellbore diagrams for this well included in the Application....Before Conversion? _____ New drill _____ and After Conversion? _____ Yes _____	
	38		Are the top and bottom footage of the proposed disposal interval marked on the "after" diagram? _____ Yes _____	
	39		<b><u>NOTICE:</u></b>	

Miss Row	C-108	<b>C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.</b>			
40	XIV	Date of the Newspaper Notice in the County:	3/8/2012	Lea Co. Lovington Leader	
41	V	Within 1/2 mile, did you clearly identify (either on a map or by legal description) all separately owned tracts of lands within the disposal interval? Yes			
42	XIII	Did you identify the owner(s) of each of these separately owned tracts? Yes, in Item XIII		Were they all formally noticed? Yes	
43	XIII	If reentering a P&Aed well, are there depth divisions of ownership within that well? Yes ....If so, have you also noticed all the shallower interests of the intent to use the well for disposal?			
44	XIII	Is the proposed well within the R-111-P defined Potash Area or the BLM Secretaries Potash Area? No ..... If so, did you send notice to the nearest Potash lessee?			
45	XIV	Who owns the surface lands at the disposal well site (BLM, SLO, or who)? BLM		Was that party formally noticed? Yes	
46		<b>Area of Review:</b>			
47	V	Did you include a map identifying all wells within 2 miles? Yes		Is the list available to be emailed (if requested) in spreadsheet format? Yes - Included in Item VI list	
48	VI	Did you include a list of all AOR wells? Yes		Does this list identify all wells penetrating (at least the top of) the disposal interval within 1/2 mile of the proposed well? No penetrating wells	
49	VI	Did you include wellbore diagrams for all P&Aed wells that exist within the 1/2 mile AOR that penetrate the disposal interval? No penetrating wells			
50	VI	Did you include wellbore diagrams for all P&Aed wells that exist within the 1/2 mile AOR that penetrate the disposal interval? No penetrating wells			
51	VI	How many wells exist within the 1/2 mile AOR that penetrate the disposal interval? 0		How many of these are Plugged/Dry and Abandoned?	
52	VI	Are details included on cement coverage of the proposed disposal interval for all wells penetrating the disposal interval within 1/2 mile of the proposed well? Yes			
53	VI	Do all reported cement tops describe how that "top" was determined? If Available		If you calculated any tops, what fillup efficiency factor did you use?	
54	VI	Did you identify the presence and depth of all Cement Stage Tools (DV) in the subject well and in the AOR wells? Yes, when info was available			
55	VIII	For the target formation, is there significant formation structural depth changes within the 1/2 mile AOR? No			
56	VIII	Is there any Karst or Massive Limestone in this target formation? No		...or in the formations directly above or below? No	
57		<b>Administrative or Hearing:</b>			
58	VI	How many wells within the 1/2 mile AOR currently are producing (or still have open perforations) within the disposal interval? 0		is it "gas" or "oil"?	

Miss	Row C-108	<b>C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.</b>
59		<u>.... NOTE: If the proposed disposal interval is a "Gas" interval or if any AOR wells are producing or have open perforations within this interval then this application may not be properly classified as a "disposal". These types of applications must be processed at an examiner hearing.</u>
60		Any other Issues..?

# Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1324 Permit Date 3/29/12 UIC Qtr (J F M)

# Wells 1 Well Name(s): Paducah Fed SWD #2

API Num: 30-0 25-N/N Spud Date: New Drill New/Old: N (UIC primacy March 7, 1982)

Footages 500 FSL/2000 FEL Unit 0 Sec 22 Tsp 25S Rge 32E County LEA

General Location:

Operator: MESQUITE SWD, INC. Contact KAY HAVENOR

OGRID: 161968 RULE 5.9 Compliance (Wells) Y-25 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed None Current Status: New Drill

Planned Work to Well: Drill

Diagrams: Before Conversion — After Conversion ✓ Elogs in Imaging File: —

Well Details:		Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New <u>✓</u> Existing <u>—</u>	<u>Surface</u>	<u>20" 16"</u>	<u>20'</u>		<u>14 CF</u>	<u>Surf</u>
New <u>✓</u> Existing <u>—</u>	<u>Surf</u>	<u>12 1/4 9 5/8</u>	<u>865'</u>		<u>500 SX</u>	<u>Surf</u>
New <u>✓</u> Existing <u>—</u>	<u>LongSt</u>	<u>8 5/8 7"</u>	<u>4750'</u>		<u>2200 500 SX</u>	<u>Surf</u>
New <u>—</u> Existing <u>—</u>	<u>Liner</u>					
New <u>✓</u> Existing <u>—</u>	<u>OpenHole</u>	<u>6 1/8"</u>	<u>4750' 7100' PBD</u>			

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	<u>4700</u>	<u>Lamer</u>	<u>✓</u>
Injection TOP:	<u>4750</u>	<u>Ball C.</u>	
Injection BOTTOM:	<u>7100</u>	<u>Cherry C.</u>	
Formation(s) Below	<u>7150</u>	<u>Brushy C.</u>	<u>✓</u>

Capitan Reef? — (Potash? — Noticed? —) [WIPP? — Noticed? —] Salado Top/Bot 2225' 4450' Cliff House? —

Fresh Water: Depths: <130' Formation QAL Wells? NONE Analysis? — Affirmative Statement ✓

Disposal Fluid Analysis? Sources: COMMERCIAL (Brushy / Bone Spring)

Disposal Interval: Analysis? — Production Potential/Testing: —

Notice: Newspaper Date 3/8/12 Surface Owner BLM / Jeff Robbins Mineral Owner(s) BLM

RULE 26.7(A) Affected Persons: See List (3/8/12)

AOR: Maps? ✓ Well List? ✓ Producing in Interval? NO Wellbore Diagrams? —

.....Active Wells 0 Repairs? — Which Wells? —

.....P&A Wells 0 Repairs? — Which Wells? —

Issues: Log well Run Survey (2350' o.H.) Request Sent — Reply: —