



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



March 23, 2013

Mesquite SWD, Inc.
C/o Kay C. Havenor, Ph.D
904 Moore Ave.
Roswell, NM 88201-1144

Re: Administrative Permit SWD-1275 - Extension

Cedar Lake 35 State Well No. 1 (API 30-015-30405)
1980 FSL, 1650 FWL, Unit K, Sec 36, T17S, R30E, NMPM, Eddy County
Injection into the Wolfcamp formation; perforated depths: 8500 to 9191 feet

You have submitted a request on behalf of Mesquite SWD, Inc., for an additional 12-month extension of the May 1, 2013 deadline to commence injection into the subject well for the reasons outlined in the attached correspondence.

It is our understanding from your application that there have been no new Area of Review wells and no ownership changes. The Division finds that granting this request to extend this injection permit is in the interest of conservation and will prevent waste and protect the environment.

All requirements of the above referenced injection permit and agreements in the application remain in full force and effect.

The deadline to commence injection is hereby extended until May 1, 2014.



JAMI BAILEY
Director

JB/wvjj

Cc: Oil Conservation Division – Artesia District Office
File: SWD-1275





Kay C. Havenor, Ph.D

Office: 575-626-4518
e-mail: KHavenor@GeoResources.com
904 Moore Ave
Roswell, New Mexico 88201-1144

March 15, 2013

Dr. Jami Bailey
Director NM OCD
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Mesquite SWD, Inc. SWD-1275
API 30-015-30405 Eddy Co
Cedar Lake 36 State Well No. 1.
Extension Request

Dear Dr. Bailey:

As agent on behalf of Mesquite SWD, Inc., Carlsbad, New Mexico, an extension for SWD-1275 to re-enter and complete the subject well is respectfully requested. Mesquite intends re-entry of this well after completion of its SWD in Section 35, one mile to the west (SWD-1274). It is currently projected that the Cedar Lake 36 State, the subject of this request, will be ready to receive disposal in approximately 12 months.

This request for extension is in conjunction with the planned extension of disposal capacity from Mesquite's collection station in Loco Hills. The system design is to reduce Mesquite's footprint by planning and executing delivery to injection wells carefully. The Cedar Lake 36 will be the fourth SWD well in that plan.

Your consideration is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Kay Havenor".

Kay Havenor
Agent for Mesquite SWD, Inc.

Jones, William V., EMNRD

From: Kay Havenor <khavenor@georesources.com>
Sent: Wednesday, March 20, 2013 3:58 PM
To: Jones, William V., EMNRD
Subject: Re: Proposed Extension of Deadline to commence disposal for permits: SWD-1274 and SWD-1275

Mr. Jones,

March 20, 2013

Mesquite SWD-1274 30-015-26969 Expires May 19, 2013. Request 9-month extension (Federal lease). No changes to the AOR for notifications. No new wells in AOR.

Mesquite SWD-1275 30-015-30405 Expires May 1, 2013. Request 12-month extension (State lease). No changes to the AOR for notifications. No new wells in AOR.

It is Mesquite's intention to complete SWD-1274 first (Fed lease) then extent connection east to SWD-1275 (State lease).

My apology for not being clear on the above information for the two wells. Appreciate your attention.

Kay Havenor

Agent for Mesquites SWD, Inc. At 10:29 AM 3/20/2013, you wrote:

Hello Dr. Havenor,
Hope all is well in your world!

We received your letters requesting extensions of permits SWD-1274 and SWD-1275 and I am processing these.

But, have had some questions come up from management as to what length of time you are really requesting.

So I am respectfully requesting the following for each permit extension request:

- a. Would you list the date the permit will expire and the exact requested new deadline date?
- b. Let me know whether the ownership within the Area of Review has changed from the time of application submittal, if so, send notices to those affected persons?;
- c. Whether any additional wells have been drilled within the Area of Review (to the disposal depths) and if so, send wellbore diagrams to verify cement coverage is OK.

Thank You in advance,

William V. Jones, P.E.
505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505