## IN THE MATTER OF THE APPLICATION FOR AUTHORIZATION TO INJECT, C-108, FOR THE EXXON STATE NO. 8 WELL OPERATED BY MESQUITE SWD, INC.

## EXPERT REPORT REGARDING

# 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

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# 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

## I. EXECUTIVE SUMMARY

#### A. Purpose and Scope

The study is to determine the structure, stratigraphy, and hydrogeology relative to water injection in the subject well and area. It was initiated to evaluate and address questions raised as to the geological formation of injection in the Exxon State #8 water disposal well. The study also provides additional data applicable to C-108 Application.

#### B. Discussion of Geology and Wells Drilled

Remapping of the Magruder (Yates) field and extension of correlation by e-log and sample data from the Exxon State #8 to wells outside the Area of Review permitted a sound basis for structural mapping and stratigraphic correlation. The high degree of correlativity across the Magruder (Yates) field, illustrated in cross-section, and into adjoining areas yields a basis for the understanding the stratigraphy and structure of the Yates Formation in the study area.

Conclusions p. 23. Discussion p. 1.

#### C. Determination of Injection Formation Mesquite #8 Exxon State

Careful subsurface e-log and sample log correlations, enhanced with surface outcrop thickness of the Yates Formation less than 13 miles from the Exxon State #8, provide a reliable estimate of Yates Formation thickness for the Exxon State #8 of least 405 feet. That projection was supported by other outcrop information suggesting the base of the Yates Formation at the subject well is at about 900 feet. The e-log correlations used in the area allow a projection of the base of the Yates Formation in the Exxon State #8 to be at least 50 feet - probably more - below



the 694 foot TD of the well. The conclusion is that the Exxon State #8 was more than reasonably within the Yates Formation at its total depth.

Conclusions p. 23. Discussion p.14.

#### D. Other Wells Penetrating Injection Zone within Area of Review

In the Area of Review there are 20 wells deep enough to have possibly penetrated into the disposal zone of the Exxon State #8. Thirteen of the wells have been plugged. Two are temporarily abandoned (Operator: Mesquite). Of the remaining 5 wells the Yates Formation in 3 of them behind casing. The two remaining unplugged wells are listed as possibly penetrating the injection horizon; but well data is insufficient to definitely establish they drilled below the top of the Magruder (Yate) pay. Two additional wells unlisted by OCD penetrated to Magruder (Yates) sand and one penetrated Capitan reef.

Conclusions p. 24 Discussion p. 18.

#### E. Groundwater in the Study Area

Within the two-mile radius area from the Exxon State #8 there are no known water wells, and the hydrogeology indicates no potable aquifers are present in or under the Area of Review. Control exists to demonstrate that the Exxon State #8 is more than two-miles north of the high transmissivity area of the Capitan reef. Numerous cable tool drilled wells in and around the Area of Review clearly reflect no water was encountered above the Magruder (Yates) sand.

Conclusions p. 24. Discussion p. 19.

#### F. Faults and Hydrologic Connections to Potable Underground Water

GeoScience Technologies on behalf of Mesquite SWD, Inc., affirms that thorough examination of available geologic, hydrogeologic, and engineering data found no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water

Conclusions p. 24. Discussion p. 20.

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#### **II.** Purpose and Scope

Mr. Clay Wilson, on behalf of Mesquite SWD, Inc.(Mesquite), received and complied with both the Oil Conservation Division (OCD) telephone communication and following written Order dated May 9, 2008 requiring immediate shutting-in of the Mesquite Exxon State #8 salt water disposal well (30-015-22055) located 1268' FSL and 2032' FEL of Section 15, T21S-R27E, Eddy County, New Mexico. Mr. Wilson has filed a C-108 Application to modify permit SWD #180. The well has been in almost continuous use without substantive changes since completion in 1977. The OCD questioned details of the application filed by A. H. Rains on or about 2/8/1977, and initiated Mesquite running a fluid tracer survey that indicates fluid injection from 587 feet to TD 694 feet. The Order stated: "The fluids are being injected near or into the top of the Capitan Reef, which is an extremely porous aquifer."

This study will address the geological structure, stratigraphy, and the hydrogeology of the greater field area for qualification to dispose produced water via C-108 Application.

#### III. Discussion of Geology and Wells Drilled

Mr. Wilson contacted GeoScience Technologies (GeoScience) and relayed the OCD's concerns that the Exxon State #8 may be injecting water into underlying non-Yates Formation and possibly the Capitan reef. He requested GeoScience evaluate the well and its disposal horizon, and address other geological and hydrological requirements for the C-108 Application.

### A. Examination of Magruder (Yates) Field

The discovery well, R.S. Magruder #1 State, located 660' FSL and 660' FEL of Sec. 15, T21S-R27E, was completed January 20, 1953 at a depth of 562 ft. Magruder reported the well was in limestone and sand at total depth (TD). All known wells drilled in Section 15, T21S-R27E are shown in Figure 1, page 2. All of Section 15 is State leased acreage.







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The Magruder discovery well was drilled with cable tools, as was the subject Mesquite #8 Exxon State well completed September 20, 1977, and a majority of the other wells drilled within the field. Geophysical logs were not run on a majority of the older wells. The detail provided by cable tool drillers varies from their reporting only major lithological changes and oil/gas shows to very detailed changes. All of these ranges exist in logs filed from wells in the Magruder Field. Fortunately, the log filed by A.H. Rains on the Exxon State #8 is one of the better logs.

#### **B.** Structure of Magruder (Yates) Field

Goodger (1956) presented a brief symposium report on the structure and pay zone lithology of the Magruder (Yates) field. His structure map was on the top of the Magruder pay zone, which was reported by R.S. Magruder in 1953 as the top of the Yates sand instead of the Magruder (Yates) sand. Goodger's structure map is shown in Figure 2, page 5. This map uses a 20 ft contour interval and conveys the configuration as a small structural closure.

Following Gooder's mapping horizon, the top of the Magurder (Yates) horizon, GeoScience presents the Section 15 structure map that includes all the currently available structural data in Figure 3, page 6. Figure 3 is also mapped on 20 ft contour interval, but with more control. It illustrates a bench-like configuration, common in near-shore shallow marine waters such as the back-reef facies of the Permian Delaware sea.

### C. Lithology of the Magruder (Yates) area

As stated above, the most detailed sample description of cuttings in the Section 15 area have been provided from the well that is the subject of this action, the Exxon State #8. Figure 4, page 7, is a copy of the original driller's log. The OCD scanned records do not include the bottom full line of sample descriptions.

The described lithologies in the driller's log are characteristic of the subsurface Yates Formation throughout most of middle Eddy and Lea Counties behind the Capitan reef. The general absence of recent generation geophysical logs, especially in the shallower depths, makes



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Page 7

detailed stratigraphic delineation more difficult, but certainly doable.

Important subsurface information was provided from Mesquite running a gamma ray compensated neutron in the Exxon State #8 well. The e-log has been annotated with the driller's sample descriptions

(Figure 4) and is shown in three parts as Figure 5, and Figures 5a, and 5b, pages 9 to 10 respectively. This log enables good correlation with more recent wells that also have geophysical logs to the surface.

For reference, the top of the Magruder (Yates) zone, mapped in Figure 2, page 5, occurs at a log depth of 561 feet. This well elevation, along with all other not reported elevations, was obtained from USGS topographic sheets and DeLorme Xmap imagery. The tops are all consistent with the RGS map, Figure 2.

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Fig. 5 Header for Mesquite #8 Exxon State log





Fig. 5a Upper part of sample annotated gamma ray-neutron Mesquite #8 Exxon State





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### D. Well log correlations in and beyond Section 15

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The Magruder (Yates) basis for log correlation within this study area of Section 15 and parts of adjoining sections was Goodger (1956). While the Magruder pay interval is important in the field itself, the most significant considerations for this report are the e-log characteristics both above and below the field wells. An important local area gamma ray marker zone for correlation within Yates Formation was found at 545' (e-log) in the Exxon State #8. This zone is described by Rains in his driller's log as dolomite and green shale. The sharp gamma ray inflection suggests a thin, very radioactive shale, probably bentonitic resulting from volcanic ash fallout. This marker zone is denoted on Figure 5b, page 10, and can be identified within the Yates Formation in all of the examined well logs.

Figure 6, page 12, is a location spot map of all OCD reported wells, plus two (described later) not reported in their records. This map is for reference to well spots outside the detailed Section 15 maps shown above in Figures 1 and 2, pages 2 and 5 respectively.

Well logs have been examined in detail from the wells shown in Figure 7, page 13. Formation tops were determined by correlating the known depths in the Section 15 Magruder (Yates) field and working outward. In-as-much-as many of the Magruder (Yates) wells were drilled with cable tools and samples were examined by company geologists supervising their company's farm-outs of acreage, the stratigraphy of the upper Permian in this (and other shallow areas) has been well developed.

The detailed lithology for the Mesquite #8 Exxon State well provides critical control points for expanding the correlations to well logs in which samples are not available. The gamma ray logs provide significant lithologic implications and greatly increase correlation confidence.







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lagruder MSL	2687	2724	2651	2729	2720	507C	2715	2661	2735	2663	2697	Marker MSL	2685	2724	2650	2755	2737	2739	2685	2700	2755	2684	2698	
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WELL_NAME	ESPERANZA 14 STATE 002	ESPERANZA 15 STATE COM 001	ESPERANZA 15 STATE COM 002	<b>BASS STATE COM 001</b>	EXXON STATE WD-8	CEDAR HILLS COM 001	CEDAR HILLS COM 002	ESPERANZA "22" STATE COM 001	STATE 22 COM 001	ESPERANZA 14 STATE 001	ESPERANZA 22 STATE COM 001	Township & Range	215 -27E	215-27E	215-27E	215 -27E	215-27E	215-27E	21S-27E	215-27E	21S-27E	215-27E	215 - 27E	tion and e-log tops correlated
OPERATOR	MEWBOURNE OIL CO		MEWBOURNE OIL CO	BEPCO, LP	MESQUITE SWD, INC	H.E. YATES CO	H.E. YATES CO	PURVIS OPERATING CO	BEPCO LP	INEV/BOURNE OIL CO		Footage	1830 FNL 660 FWL	2232 FSL 1980 FEL	660 FNL 1980 FEL		1268 F.SL 2032 FEL.	1980 F.SL 660 FEL		1//5 FSL 660 FEL		685 FSL 660 FML	1//5 FSL 660 FEL	7 Well log identifica
API	3001532647	3001531877	3001532718	3001521167	3001522055	3001501101	3001521492	3001532938	3001521263	3001532415	3001532938	AH	3001532647	3001531877	3001532718	3001521167	3001522055	3001501101	3001521492	3001532938	3001521263	3001532415	3001532938	Fig.

Page 13

## IV. Determination of Injection Formation Mesquite #8 Exxon State

As stated above, the OCD indicated the Exxon State #8 has failed to confine injected fluids to the authorized injection zone or zones. This study is to examine and determine the stratigraphic position of the injection horizon in the well.

## A. Key facts concerning the Mesquite #8 Exxon State

The Mesquite Exxon State #8 was drilled with cable tools and has a detailed sample log. A sample supported e-log "marker" zone in this well is correlative over the local area.

The top of the Magruder (Yates) pay zone is defined by samples and e-log at 561'.

The Magruder (Yates) is unquestionably present in the well.

The bottom eleven (11) feet of the drill hole (683 - 694'), as shown by the driller's log, is composed of a thin sand underlain by porous dolomite.

At total depth of 694' the driller's log states "Well taking water under vacuum."

The greater Mesquite Exxon State #8 and the Magruder (Yates) field area contains and is surrounded by wells of other ownership that have e-logs confirming the correlations to the Magruder (Yates) pay zone and to the Exxon State #8's lower lithologic section.

There is a minor depth discrepancy of 2 to 4 feet between the e-log and the driller's log at the deepest e-log penetration. This is not unusual, but at its deepest the e-log only recorded to 690' for the porosity tool and 688' with the gamma ray, while driller descriptions are to 694'.

The penetrated thickness of the Yates Formation in the Exxon State #8, from Figure 7, page 13, is 346 feet (top Yates 348' to TD 694').

### **B.** Correlation Exxon State #8 with deeper wells

Figure 7, page 13, lists the inter-correlated e-logs for this study. Figure 8, page 15, shows the correlations between the Exxon State #8 and one deep well approximately 1,000 feet north, and a second deep well located approximately 2,740 feet east-southeast.





#### (i) Comments on Well Correlations

There is a high degree of correlativity throughout most of the Yates Formation, as is illustrated above. One reason for the good correlativity is the present day availability of the log on the Exxon State #8. This enables correlation outward from the target well. Unfortunately, deep well logging is usually not interested in the "shallow stuff." Often the principal log run through the shallow formations is only a gamma ray without a porosity log because the shallow beds are usually behind casing. The gamma ray log alone provides considerable lithologic information for an experience user.

Correlating the three logs in Figure 8, p. 15, provides excellent markers and lithology indications that yield a high degree of confidence. This is especially true because the cross-section was prepared *after* all the logs listed in Figure 7, p. 13, had been correlated.

#### (a) Possible conflict with OCD interpretation

Mewbourne Oil Company Esperanza '14' State Com. #1 Unit M. Sec. 14, T21S-R27E 685' FSL & 660'FWL; (G.L.-3242', K.B.-3260') Eddy Co., N.M. 30-015-32415 GROLOGICAL TOPS PER/BRYAN G. ARRANT-OUD Capitan Limestone 632" Delaware Sands 3099' Bone Spring 53971 I" Bone Spring Sand 66101 2<sup>ad</sup> Bone Spring Sand 73571 3rd Bone Spring Saud 87141 89581 Wolfcamp 10248\* Strawn

Fig. 9 OCD Formation tops in 3001532415 well file

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In working the OCD data for all the wells involved there was an OCD well tops sheet included for the Mewbourne #1 Esperana 14 State, the right-hand log in the above crosssection. The note is shown in Figure 9. The Capitan Limestone is called at 632 feet. This zone can now be seen to clearly correlate with clastic horizons that are definitely in the Yates Formation of sandstone, siltstone, clay, and dolomite.

In order to further evaluate the Seven Rivers/Capitan reef correlations presented in Figure 7, p. 13, it was decided that conformation of the



Yates Formation thickness should be sought outside of well log and sample log observations. The closest Yates-Seven Rivers Formation outcrops are 12.7 miles northwest of the Mesquite Exxon State #8, near the former Lake McMillan in sections 28 and 29, T19S-R27E, Eddy County. Kelley (1971) reports that the Yates Formation is 405 feet thick at these outcrops. Additionally, Kelley (1971) describes, as most subsurface geologists that work the Permian Guadalupian of Chaves, Eddy, and Lea Counties recognize, ". . . as the reef is approached, dolomite and sandstone continue to the reef with gradual increases in dolomite. . . However, as the reef is approached, dolomite and sandstone increase, beds thicken . . ." (Kelley, 1971, p. 18). Eventually, south of the section 22 wells examined in this study, Kelley's (1971, p. 18) observation applies that eventually "As with the Seven Rivers, the Yates laps out or becomes a part of the structureless reef."

The Yates thickens from north to south, and at Lake McMillan is 405 feet thick, then it is expected to thicken southward. Conservatively, using the 405 foot thickness figure to evaluate the Yates in the study area, it is apparent that the tops of Seven Rivers/Capitan are conservative as presented from Figure 7, p. 13. In the Mewbourne #1 Esperana 14 State, discussed above, the 405 foot thick Yates would place the base of the Yates to at least 765 feet deep. This study's e-log pick is at 802 feet for the base of the Yate and the top of the Seven Rivers/Capitan.

Working known surface exposures of Yates-Seven Rivers contact to the west in section 17, T21S-R25E and applying a known dip of 1.5 degrees southeast, the depth of the base of the Yates is estimated at about 900 feet below the Exxon State #8. Although this method is less accurate than the measured thickness, it certainly supports the conclusions as to the depth of the base of the Yates Formation in the area of the Magruder (Yates) field and therefore its thickness.

#### C. Conclusion as to Exxon State #8 injection formation

With the above information it is a clear conclusion that the Mesquite Exxon State #8 disposal well at total depth (694') is within the Yates Formation and at least 50 feet - probably more - above the base of the formation. This leaves approximately 1/8th of the Yates Formation lithology separating the well from the Seven Rivers/Capitan.

The original driller's log clearly indicates the lowest penetrated dolomite to 694 feet was



porous and took fluid on gravity. The fluid survey on the well log showed fluid was being accepted in the Magruder area, 574 to 590 feet, and at 690 feet (the lowest logged point) fluid was moving past the tool toward the driller's described porous dolomite to 694 feet.

Examination of logs in the area demonstrates that interbedded sandstones, siltstones, clays, and dolomites are present in and below the Exxon State #8's stratigraphic total depth – some are porous, permeable, and water wet, whereas others are not. Fluid was moving past the logging sonde at 690 feet because there was porosity to 694 feet, the TD of the well, and the sonde could not penetrate fill to the bottom of the hole. There is no basis to infer the porous dolomite in the bottom of the Exxon State #8 is hydrologically connected to the Capitan reef.

#### V. Other Wells Penetrating Injection Zone within Area of Review

As per the requirements for C-108 Application, a tabulation of all known wells within the Area of Review that may have penetrated into the injection zone of the Exxon State #8 is shown below in Figure 11, p. 22. OCD records reflect 20 wells have been drilled within this area.

Examination of OCD logs and drilling data reflect that of these 20 well, 13 are reported as plugged, 2 are temporarily abandoned, and the remaining 5 are classified as active. Of the 5 active wells, three are deep wells with the shallow Yates behind casing, and the remaining 2 are shallow that questionably penetrated into the uppermost injection horizon of the Exxon State #8. Due to the lack of detailed well correlation data on these two wells they are listed here.

Two OCD unlisted wells have also been found within the Area of Review. The R.S. Magruder #1 Pacific Coast Land located 1980 FNL and FEL of Section 15, originally drilled to TD to 1553 feet by A & N Drilling. The original well was spudded June 30, 1934 and abandoned January 29, 1935. Magruder began rework February 19, 1945, set 7" casing at 2060' (probably due to water), drilled to TD 2350 in "lime" and temporary abandoned the hole August 6, 1945. The second unlisted well is the A & M Company #2 State located 2310' FSL and FEL Section 15. TD was approximately 580 feet. The only data is a sample log from The Texas Co.

#### VI. Groundwater in the Study Area

#### A. Distribution of water wells in the study area

Groundwater development and exploration within the two mile radius of the Exxon State #8 location is very sparse. A search of the New Mexico Office of the State Engineer's Waters Database found only eight wells permitted and drilled in a greater area than the 2-miles required. Of the wells drilled only three exceeded a total depth greater than 100 feet. One 490 foot well (Sec. 26, T21S-R27E, Figure 10, p. 21) drilled by the City of Carlsbad was a dry hole. No water was encountered. One 400 foot well was drilled for water supply for a drilling well and was plugged and abandoned. Well C-925 (Sec. 28, Figure 10, p. 21) was drilled and permitted but has since been plugged and abandoned. Were the drilling supply well of decent quality the probability is very high that the well would have been taken by the surface land owner for livestock or domestic use.

Figure 10, page 21, shows the distribution of the water wells and tests discussed above. While this is oil and gas country, it was originally - and still is - ranching land. The significant absence of livestock water supply wells attests to the general absence of potable shallow groundwater. Along the western tier of sections shown in Figure 10 there are alluvial deposits associated with the Pecos River that yield groundwater. Within the relevant areas of this Application, all of the sediments essentially above the top of the Yates Formation are simply not potential potable groundwater sources.

Driller's logs, mostly from cable tool holes, with and adjacent to the Area of Review, reflect water was encountered in or associated with oil show/production within the Magruder pay sand. One example of this was the Magruder #1 State (30-015-01102) located 660' FSL and FEL of Section 15. The driller reported a show of oil 550-552', TD at 561, and water/oil filled the hole 300' in 12 hours. Only water from the bottom formation was encountered.

The driller's log of the J. E. Metcalf #1 Magruder, Section 22, T21S-R27E, 30-015-01054, located about 2,200 feet southwest of the Exxon State #8, reported sulphur water from the bottom three feet of the hole (600-603). No other water was reported in the hole. Plugging operations reported on July 16, 1943 stated "Cemented water off at bottom of the hole with 10 sacks cement and then filled with mud within 5 ft of the surface and then cemented top with



marker." This cable tool hole, and others described above, are firm support for the conclusion that water of any quality is scanty or totally absent in the study area.

No underground drinking water sources or aquifers are present, or are known to have existed, in or beneath the injection well, or within more than a two-mile radius of the injection well, shown in Figure 10, p. 21. Because of the total absence of drinking water wells in the area no chemical analyses exist. The high number of cable tool holes drilled throughout this area provide strong confirmation of the lack of shallow water.

#### B. Comments on Capitan Reef aquifer

The Capitan reef aquifer is a major potable water supply for municipal, domestic, and major agricultural users in the Carlsbad area of the Pecos River. Water in the Carlsbad basin is administered by the New Mexico State Engineer. This study area falls within the established boundaries of the Carlsbad basin.

The Capitan reef is a major geological feature of southeastern New Mexico and West Texas. It is noted for its many subsurface areas of high porosity and permeability from the City of Carlsbad east to Hobbs and south to the Sheffiield channel in West Texas. Throughout the reef's porous aquifer the hydraulic gradient is from west to east and then south.

One notable condition in the Carlsbad area is that the salinity of the water in the porous portion of the reef immediately east of the City of Carlsbad rapidly degrades in the confined aquifer from potable to brackish (>1,500 mg/l).

#### VII. Faults and Hydrologic Connections to Potable Underground Water

GeoScience Technologies on behalf of Mesquite SWD, Inc., affirms that thorough examination of available geologic, hydrogeologic, and engineering data found no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.



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API WELL NAME STAT	US SE	C TUSH	IP RANGE F	OOTAGE N-S	FOOTAGE E-W	OPERATOR 1	AND TYPE V	VELL TYPE		D D	VTITUDE 1	ONGITUDE
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3001501091 EXXON STATE Activ	e	21.05	27E	1650 S	1650 E	MESQUITE	State	0	3268	261	32.47738	104.17447
3001501096 EXXON STATE Activ	e 15	21.05	27E	660 S	3 086t	MESQUITE	State	0	3298	589	32,47465	104.17556
3001531877 ESPERANZA Activ	e 15	21.05	27E	2232,S	1980 E	MEWBOUR	State	G	3284	11835	32,47897	104.17554
3001521167 BASS STATE Activ	ول م	21.05	27E	N 0861	660 W	BEPCO, LP	State	9	3296	11700	32.48192	104.18426
3001501087 Magnolia St. Plugg	red 15	21.05	27E	2310 S	330 E	Atha,	State	0	3252	560	32.47923	104.17017
3001501090 State 002 Pluge	red 15	21.05	27E	330 S	3066	EVERETT D	State	0	3282	588	32.47377	104.17234
3001501093 MAGNOLIA Pluge	red 15	21.05	27E	1650 S	2310 W	BUNNEL	State	0	3319	626	32,47735	104.17889
3001501094 MAGNOLIA Pluge	red 15	21.05	27E	1650 S	990 E	BUNNEL	State	o	3256	533	32,47740	104.17232
3001501095 MAGNOLIA Pluge	ted 15	21.05	27E	1650 S	330 E	BUNNEL	State	0	3251	531	32,47742	104.17017
3001501097 PURE ST 004 Pluge	ted 15	21.05	27E	2310 5	1650 E	BURGETT	State	0	3272	571	32,47920	104.17447
3001501098 PURE ST 005 Plugs	ted 15	21.05	27E	S 066	1650 E	BURGETT	State	0	3281	566	32,47557	104.17448
3001501099 PURE ST 006 Pluge	red 15	21.05	27E	330 S	1650 E	BURGETT	State	0	3290	586	32.47375	104.17449
3001501101 CEDAR HILLS Pluge	red 15	21.05	27E	1980 S	. 660 E	HARVEY E.	State	0	3269	12812	32,47831	104.17125
3001501102 State 001 Plugs	red 15	21.05	27E	660 S	660 E	BRININSTO	State	O	3262	261	32,47469	104.17126
3001501103 STATE 001 Pluge	red 15	21.05	27E	Z310 N	2310 W	RUTTER A W	State	0	3312	628	32,48106	104.17889
3001521492 CEDAR HILLS Pluge	red 15	21.05	27E	1650 N	1980 E	HARVEY E	State	9	3315	11750	32.48290	104.17555
3001501092 EXXON STATE TA	u.	21.05	27E	1650 5	2310 E	MESQUITE	State	o	3282	576	32,47736	104.17563
3001501100 EXXON STATE TA		21.05	27E	5 066	2310 E	MESQUITE	State	o ,	3284	580	32.47555	104.17663
3001501054 MAGRUDER Pluge	red 22	21.05	27E	330 N	1650 W	METCALF J E	State	0	3299	603	32.47189	104.18102
<b>Fig. 11</b> Wells in <i>I</i>	Area of ]	Review	/ penetrati	ing the inject	tion horizon	of Exxon S	state #8		-			
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#### VIII. Conclusions

## A. Discussion of Geology and Wells Drilled

Due to the original question as to the stratigraphic zone(s) receiving disposal water in the Mesquite Exxon State #8 disposal well, it was believed an up-to-date subsurface geological evaluation of the Magruder (Yates) field structure and stratigraphy was important. The remapping of the Magruder (Yates) field began with the original published structure contour map of the field. A new e-log on the subject well, the Exxon State #8, annotated with a detailed lithologic description from the original driller's log, provided the center point of correlation outward to other e-logs in the field and surrounding area of interest. The correlation network provided an excellent framework of the shallow stratigraphy. It also developed a very good shallow local area correlation marker throughout the mapped area. The high degree of correlativity across the Magruder (Yates) field, illustrated in cross-section, and into adjoining areas yielded a basis for definition of a minimum thickness of the Yates Formation.

#### **B.** Determination of Injection Formation Mesquite #8 Exxon State

Considering nine key facts from analysis of the Exxon State #8 it was concluded that the well was substantially within the Yates Formation at its drilled total depth of 694 feet. Because this appeared to be in conflict with an OCD correlation of the top of the Capitan reef in a Section 14 well, 2,740 feet east-southeast, an additional evaluation from the measured surface thickness of the Yates Formation less than 13 miles north. Recognizing that the Yates Formation thickens southward toward the reef, using only the measured surface thickness of 405 feet, that value suggests a minimum depth of 765 feet in the Section 14 test. The OCD call in that well was 631 feet. The correlated top was 802 feet. The measured thickness of Yates was also projected from a surface outcrop of the base of the Yates trigonometrically to the Section 14 well that suggests a base of Yates at about 900 feet depth. These analyses are believed valid and reliable. The base of the Yates is projected to at least 744 feet, and probably deeper, in the Exxon State #8.

#### C. Other Wells Penetrating Injection Zone within Area of Review

Within the Area of Review there are 20 OCD listed wells that are deep enough to possibly penetrate into or through the injection area beneath the casing in the Exxon State #8 well. Of these 20 well, 13 are reported as plugged, 2 are temporarily abandoned, and the remaining 5 are classified as active. Of the 5 active wells, three are deep wells with the shallow Yates behind casing, and the remaining 2 are shallow and questionably penetrated into the uppermost injection horizon of the Exxon State #8. Because of the lack of detailed well correlation data on these two wells they are listed here. Two wells not listed by the OCD also penetrated into and one through the injection zone, but no information was found as to plugging.

#### **D.** Groundwater in the Study Area

New Mexico State Engineer well records indicates no water wells are present within the two-mile radius of the Exxon State #8 disposal well. Not even livestock watering wells are reported within the two-mile radius. Well data outside that radius testify to the general lack of any shallow potable water in or under the Area of Review. No known potable water aquifers have been found within the two-mile radius of the Exxon State #8 study area. The dry hole drilled by the City of Carlsbad in Section 26, T21S-R27E demonstrates that the Exxon State is more than two miles north of the high transmissivity lithology associated with the Capitan reef farther west. Enough cable tool holes have been drilled in this area to broadly confirm the absence of groundwater in general.

#### E. Faults and Hydrologic Connections to Potable Underground Water

GeoScience Technologies on behalf of Mesquite SWD, Inc., affirms that thorough examination of available geologic, hydrogeologic, and engineering data found no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water

## IX. References Cited

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#### X. Statement of Qualifications

#### Kay Charles Havenor

Ph.D. Geoscientist Certified Professional Geologist AIPG #673 Registered Geologist Arizona #30438 Registered Professional Geologist Texas #5806

#### **Professional Experience**

Field, subsurface and research geology; regional structural, stratigraphy, oil and gas, hydrodynamics, environmental and hydrogeological investigations, with primary emphasis in Arizona, New Mexico, West Texas, and other portions of the western United States, Canada and Mexico. Mining experience in New Mexico and western Mexico. Professionally active in geology from 1958 to present. Geological consulting and independent oil/gas groundwater activities from 1962 to the present. Oil and gas production operator (Havenor Operating Company), Texas and New Mexico.

Geological research, exploration and development, extensive field experience in drilling, completion, testing, and evaluation of wells for hydrocarbons and water. Non-drilling geological field mapping, surface and subsurface exploration in New Mexico, Texas, Arizona, Colorado, Mexico and British Columbia includes geologic surface mapping, stratigraphic analysis, base metal prospecting, mining, environmental, groundwater, and geologic hazards evaluation.

Environmental and preconstruction site evaluations, dairy and cheese plants monitoring, discharge plans, isotopic determinations of nitrate sources. Hydrogeochemical forensics, hydrogeochemical and isotopic water mapping.

Adjunct Faculty Geology, Eastern New Mexico University, 1992 to the present.

Present and recent consulting areas include investigation and mapping of Ouachita overthrust area of portions of Terrell and Val Verde Counties, Texas. Structure, stratigraphy and hydrogeology of the northern Tularosa Basin, Otero County, New Mexico. Structure and subsurface stratigraphy of Mehsana area, Cambay Basin, Guarat, India.

#### Education

Colorado College, Colorado Springs, Colorado, 1953-1957 BS Geology, magna cum laude

University of Arizona, Tucson, Arizona, 1957-1958 MS Geology Graduate Teaching Fellow MS thesis on The Pennsylvanian System of Arizona



University of Arizona, Tucson, Arizona, 1992 and 1995 Ph.D. Geoscience 1996 Graduate Teaching Assistant Emphasis in hydrogeology, remote sensing, environmental geology. Dissertation: The hydrogeologic framework of the Roswell groundwater basin, Chaves, Eddy, Lincoln, and Otero Counties, New Mexico

#### **Professional Affiliations**

Geological Society of America, Senior Fellow American Association of Petroleum Geologists, Member American Institute of Professional Geologists, #673, Charter Member former State Chapter Newsletter Editor Roswell Geological Society former President, Vice-president, Secretary, and Treasurer Arizona Hydrological Society Arizona Geological Society

Arizona Geological Society New Mexico Geological Society

Sigma Xi

#### **Publications in geology**

- Foster, R. W., Hawks, W. L., Parkhill, T. A., Smith, C. T., and Havenor, K. C., 1968. Mineral Resource Evaluation of State Lands in East-Central New Mexico: New Mexico Bureau of Mines and Mineral Resources, pp. 71 p., 5 tables, 26 figs.
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Roswell Geological Society, 1977. The Oil and Gas Fields of Southeastern New Mexico, A symposium, Havenor, K C., ed.: Roswell, NM, Roswell Geological Society, 185 p.

## **GeoScience Technologies**

GeoScience Technologies is owned and operated by Deborah Havenor. Kay Havenor is the geoscientist.

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## **Expert Witness Summary**

Qualified as an expert witness in various areas, including geoscience, hydrogeology, hydrology, paleoclimatology, hydrogeochemistry, groundwater, oil and natural gas, and economics thereof in hearings/trials before:

New Mexico State Engineer US District Court, Albuquerque, New Mexico Fifth Judicial District Court of New Mexico Twelfth Judicial District Court of New Mexico

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