

**Mesquite SWD, Inc.
Exxon State No. 8**

Rehearing

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 3001501092

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@plateauiel.net]
Sent: Wednesday, November 12, 2008 2:02 PM
To: Perini, Cindy
Subject: Emailing: GO-TECH ONGARD Single Results
http://oceanic.unt.edu/gotech/Petroleum_Data/single.aspx?API=3001501092&StartYear=2006&EndYear=2008&Production=1true&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-15-21.08-27E, 1650 FSL, 2310 FFL 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:

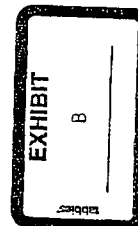
• [MAGRUDER, YATES](#) Total Acreage: 40.00 Completion: 1 [Summary of Production](#)
• [Show All](#)

Year: 2006

Pool Name:
MAGRUDER, YATES
Month

Oil (BBL/S) Gas (MCF) Water (BBL/S) Days Produced

1



January	0	0	0	0	0	31
February	0	0	0	0	0	28
March	0	0	0	0	0	31
April	0	0	0	0	0	30
May	0	0	0	0	0	31
June	0	0	0	0	0	0
July	0	0	0	0	0	0
August	0	0	0	0	0	0
September	0	0	0	0	0	0
October	0	0	0	0	0	0
November	0	0	0	0	0	0
December	30	0	225	0	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.

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Thank You.

Kelcey Nichols

From: Perini, Cindy [cperini@velaw.com]
Sent: Wednesday, November 12, 2008 1:14 PM
To: Clay Wilson; Dave Perini; Key Havenor; Tom Hasko; 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:

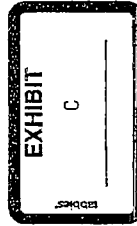
MAGRUDER, YATES

Month

January

February

Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
0	0	0	0
0	0	0	0
		1	



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

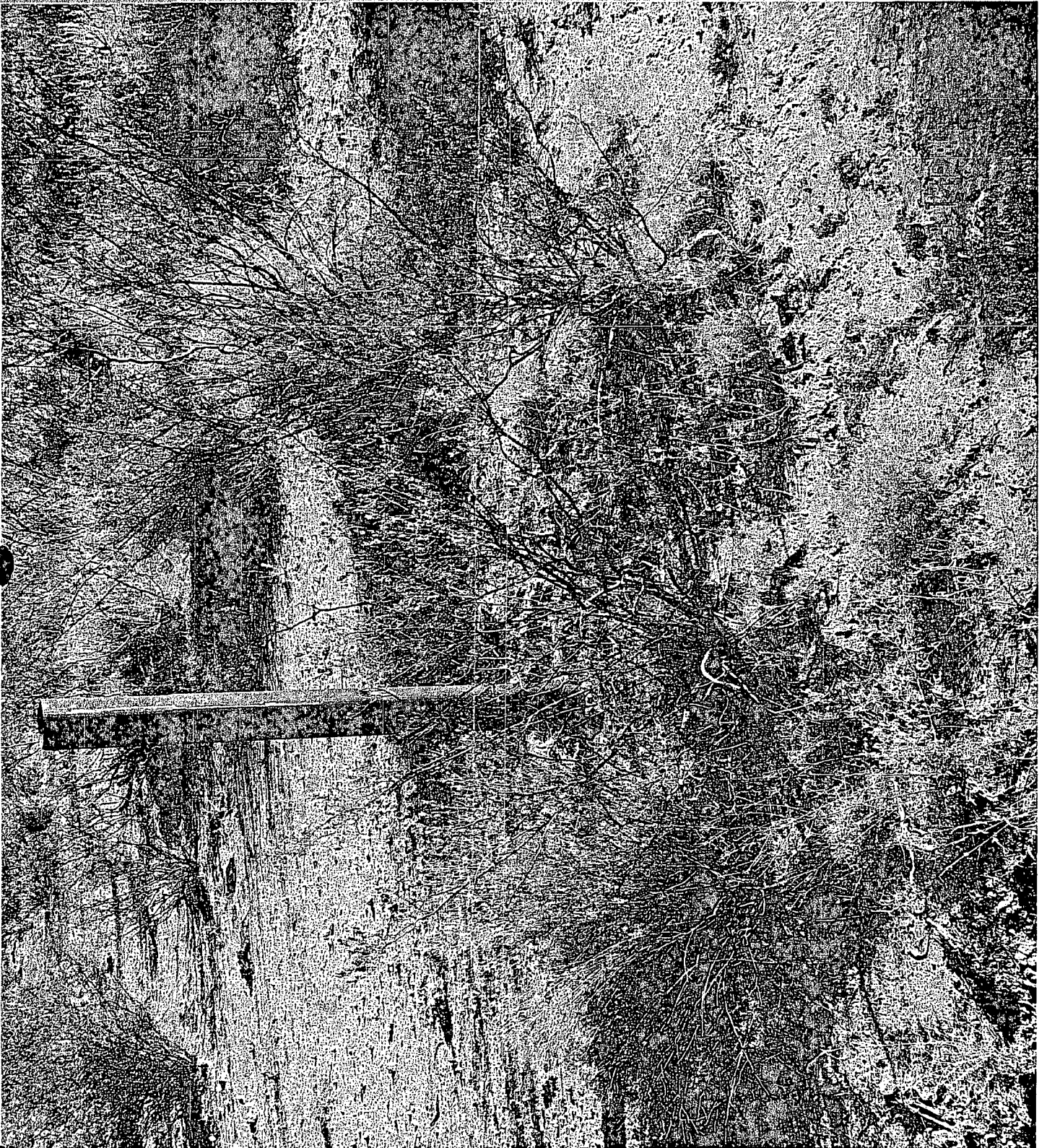
Treasury Circular 230 Disclosure: To the extent this communication contains any statement regarding federal taxes, that statement was not written or intended to be used, and it cannot be used, by any person (i) as a basis for avoiding federal tax penalties that may be imposed on that person, or (ii)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

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Thank You.

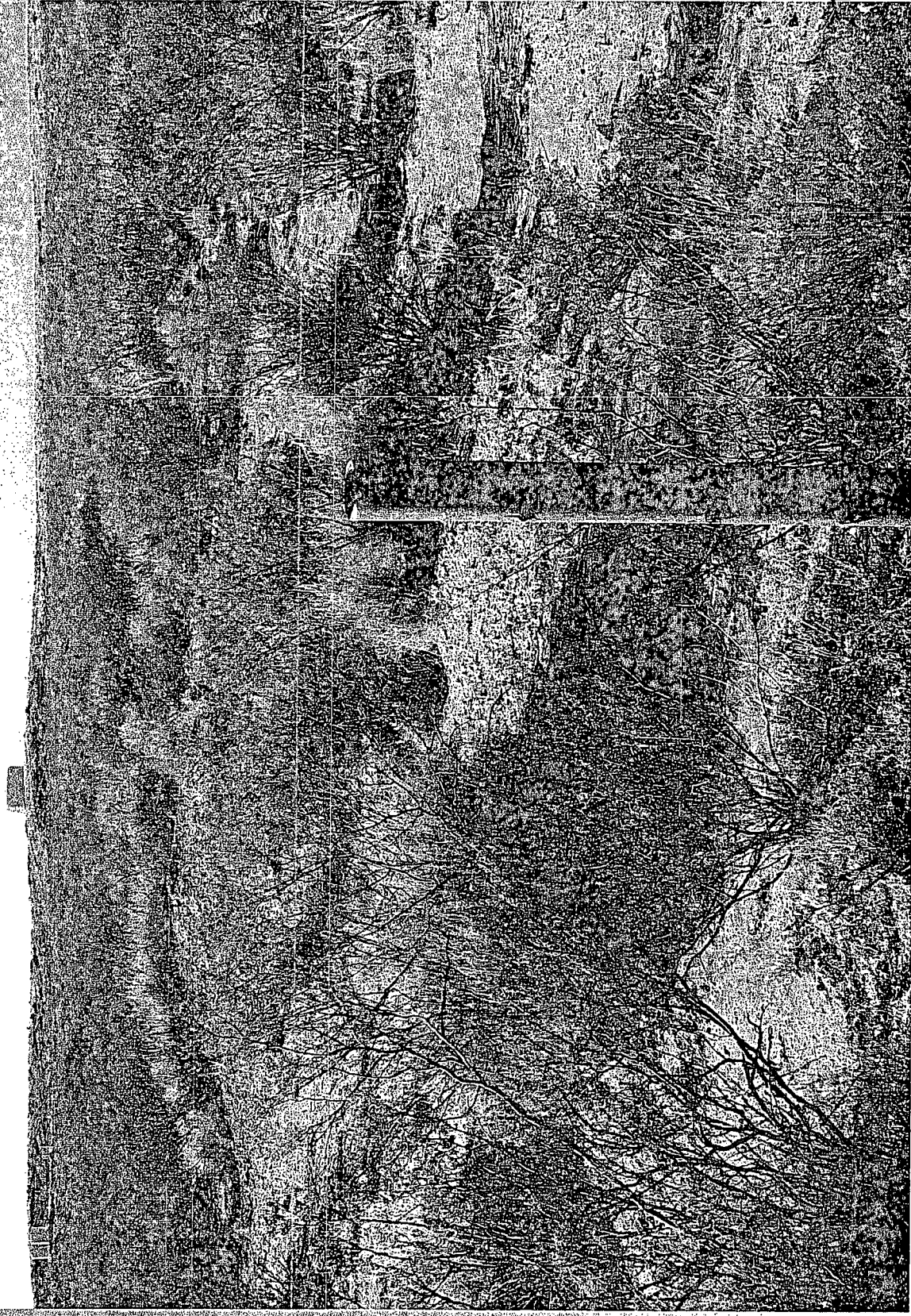
Magnolia State No. 3





Magnolia State No. 3

Magnolia State No. 3



Pure State No. 6

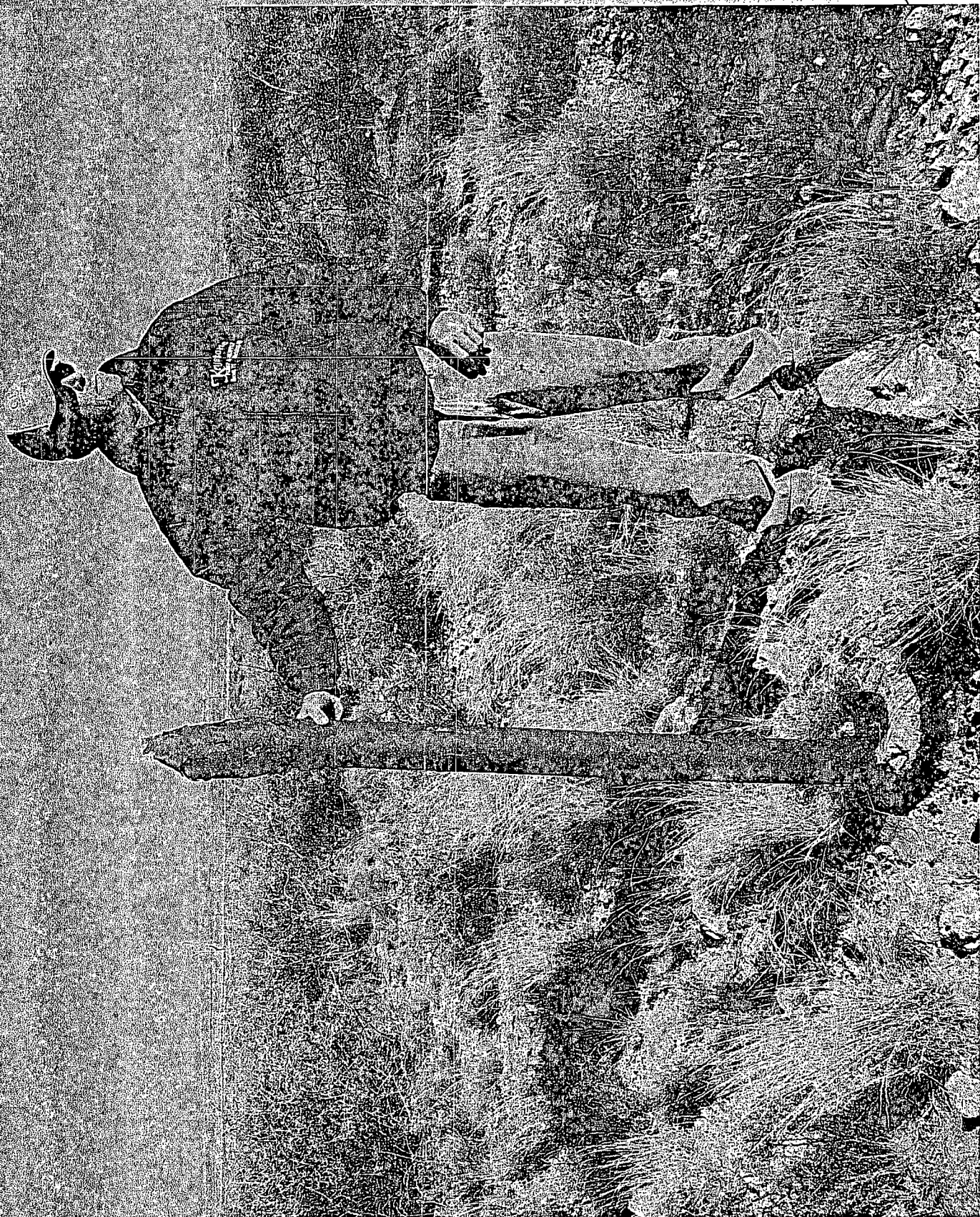
149112

5

149112

5





Pure State No. 6





Kay C. Havenor, Ph.D

Office: 575-622-0283
e-mail: KHavenor@GeotResource.com
200 West First Street, Suite 747
Roswell, New Mexico 88201

November 21, 2008

Thomas M. Hnasko, Esq.
Hinkle, Hensley, Shanor & Martin, LLP
P.O. Box 2068
Santa Fe, New Mexico 87504

Re: Corrections and documentation to well
plugging diagrams in Mesquite Exhibit 33,
Appendix B, pages 23 and 27; Elaboration
as to Division Order Finding (4) R-13043

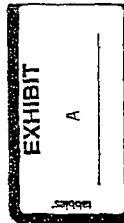
Dear Mr. Hnasko,

In reviewing the OCD's Order of the Division relative to the motion for clarification of Order No. R-13043, it became apparent that the plugging diagrams I prepared on the subject pages were incorrect. In that the Division relied upon them, I apologize for their inaccuracies.

Finding (2) of the Division's Order indicates the plug and abandon diagram for the Magnolia State Well No. 3, Mesquite Exhibit 33, page 23, (API No. 30-015-01087) indicates there was no record of plugging. That was an error in preparation of the graph and it was incorrect. Documentation from OCD records was available at that time and copies are attached below along with a corrected and annotated Plug and Abandon Well diagram. This well was plugged and abandoned appropriately as of September 30, 1953.

Finding (3) of the Division's Order was also the result of the plug and abandon diagram for the Pure State Well No. 6 on page 27 of the subject exhibit reflecting both the wrong API number (30-015-01099) and a lack of plugging. The correct API is 30-015-01090. Copies of the OCD filing on the plugging of this well are also attached below along with a corrected and annotated Plug and Abandon Well diagram. This well was plugged and abandoned appropriately as of July 11, 1957.

Finding (4) of the Division's Order states the "Magnolia State Well No. 2 API No. 30-015-10092, and No. 7 API No. 30-015-01100 were designated as temporarily plugged and abandoned." They further indicate there were no records confirming such abandonment, and therefore the wells are required to be plugged. The Division's misreading of the status of the two



wells is a difference in intent, method, and reporting temporary abandonment as to plugging.

A copy of the operator's approved report filed for the API 30-015-10092 Exxon State No. 2 (formerly the Magnolia State No. 2) with the Artesia OCD November 4, 2000 is attached below that requested "Temporary Abandonment Status."

A copy of the operator's approved report filed for the API 30-015-10110 Exxon State No. 7 (formerly the Magnolia State No. 7) with the Artesia OCD November 4, 2000 is attached below that requested "Temporary Abandonment Status."

Please note that the request was not for *plugging*, but to comply with their not being actively produced for a given regulatory time. This had been pointed-out to the operator, Mr. Del Taylor, by Mr. Tim Gum of the Artesia OCD office. The ownership of both the Exxon State No. 2 and No. 7 were subsequently transferred through C-104A filings to the present operator, Mesquite SWD, Inc., December 1, 2005. Both wells were returned to active production and product sales by Mesquite SWD, Inc., thereby returning them to an active producing status.

It should also be noted that none of the wells discussed above reach a total depth, straight depth or MSI, that is as deep as the cemented casing at 587 feet in the Exxon State #8 disposal well. Therefore, hydrologic communication – even were they unplugged – would not be reasonable.

Respectfully submitted,

Kay C. Haveron

Kay Haveron

Attachments

Magnolia State No. 3 Plug and Abandon Diagram Correction API No. 30-015-01087, p. 3
Magnolia State No. 3 Misc Report of plugging filed 9/30/1953, p. 4
Pure State No. 6 Plug and Abandon Diagram API No. 30-015-01090, p. 5
Pure State No. 6 Notice of intent to plug API No. 30-015-01090, p. 6
Pure State No. 6 Report of plugging API No. 30-015-01090, p. 7
Pure State No. 6 Field report for plugging API No. 30-015-01090, p. 8
Exxon State No. 2 Notice of intent to temporary abandon API No. 30-015-01092, p. 9
Exxon State No. 7 Notice of intent to temporary abandon API No. 30-015-01, p. 10

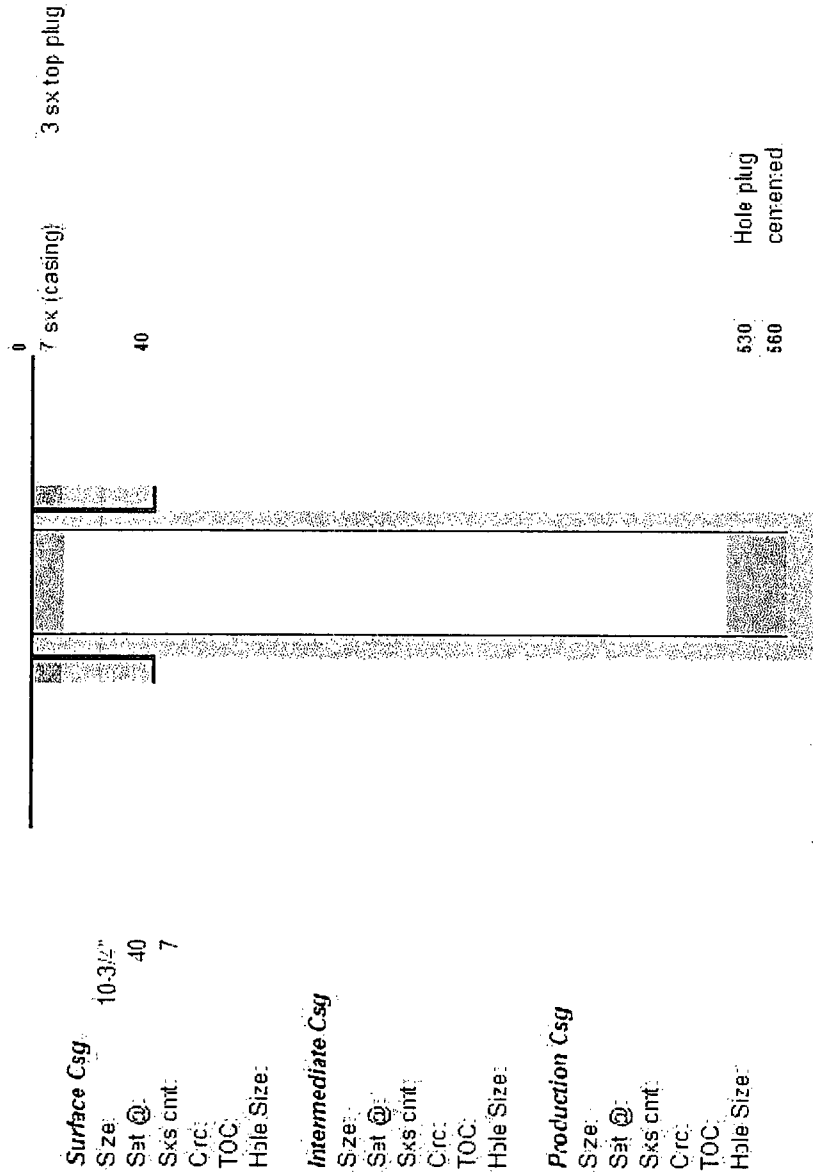
PLUG AND ABANDON WELL DIAGRAM

API: 3001501087
 Operator: Atha, Robert W.
 Lease: Magnolia State
 Location: Sec. 15, T21S-R27E Eddy Co., NM
 Footage: 2310 FSL, 330 FEL

Well No: 3

KB: 3252
 GL: September 20, 1953
 Spud date: September 28, 1953
 Completion date: 2692
 MSL of TD:

S I P P I S



This Plug and Abandon well diagram replaces Mesquite Exhibit 33, Appendix B, Page 23 diagram that erroneously reported "No record of plugging hole." A copy of the original report on plugging of the well dated 9/30/1953 filed with and approved by the Artesia OCD accompanies this corrected well diagram.

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

MISCELLANEOUS REPORTS ON WELLS

Submit this report in TRIPPLICATE 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 Logging Operations, Results of Test of casing shut-off, result of plugging of well, work 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	REPORT ON RECOMPLETION OPERATION	REPORT ON (Other)
☐	☐	☐

Date: Sept. 20, 1953 Location: Artesia, N. M.

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

Reported by: Robt. W. Atha (Name)
Company or Location: Hagopian State
Well No.: 3 in the NE 1/4 of Sec. 15
T. 21S, R. 27E, N. 40M, Unsalted Pool, Elly County.

The Dates of this work were as follows:

Nature of intention to do the work (was not) submitted on Form C-109 on Sept. 19, 1953
and approval of the proposed plan (was) (was not) obtained. Orally Sept. 28, 1953

DETAILED ACCOUNT OF WORK DONE AND RESULTS OBTAINED

Total Depth 560'. Cement plug 560 to 530' and mud cement plug to base of low casing at 351' 7". 3 steel cement plug in top of 10" casing. Regulation meter set and location checked.

Witnessed by: (Name) (Name) (Company) (Title)
Approved by: (Name) (Name)
Oil Conservation Commission
Name: W. W. Atha
Position: Owner
Representing: Self
Address: 1904 Highland Rd., Roswell, N. M.

GL:	3290
Spud date:	January 24, 1956
Completion date:	February 8, 1956
MSL of TD:	2704

API: 300-150-1090

Operator: Everett Burgett

Lease: Pure State

Location: Sec 15, T21S-R27E Eddy Co., NM

Footage: 330 FSL, 1650 FEL

Well No: 6

KB:

GL:	3290
Spud date:	January 24, 1956
Completion date:	February 8, 1956
MSL of TD:	2704

Surface Csg

Size: 7"

Set @ 220°

Sxs cnt: none

Circ:

TOC:

Hole Size:

Intermediate Csg

Size:

Sat @:

Sxs cnt:

Circ:

TOC:

Hole Size:

Production Csg

Size:

Set (iv):

Six cont:

311

ROC:

Hole Size:

P&A 1/12/1963

Original diagram Mesquite Exhibit 33, Appendix B, page 30, was erroneously identified with an incorrect API of 30-015-01099 instead of 30-015-01090. Further, no well was located bearing the incorrect API number and therefore the Plug and Abandon Well Diagram was incorrect. See accompanying copies of OCD plugging record and later OCD field report for 30-015-01090, Pure State #6.

Santa Fe, New Mexico

Jul 3 1957

IN THE OFFICE OF

NOTICE OF INTENTION TO TAKE WATER		NOTICE OF INTENTION TO REPAIR ABANDON WELL		NOTICE OF INTENTION TO DRAIN TRENCH
NOTICE OF INTENTION TO FILL WELL	I	NOTICE OF INTENTION TO FILL BAY		NOTICE OF INTENTION TO STOP LANE
NOTICE OF INTENTION TO REPAIR		NOTICE OF INTENTION TO ADJUST		NOTICE OF INTENTION TO SHOOT (HOLD)
NOTICE OF INTENTION TO BUILD BRIDGE		NOTICE OF INTENTION TO CHANGE		NOTICE OF INTENTION TO CHANGE

7/13/57

various types of

© 2005 Blackwell Publishing Ltd *Journal of Internal Medicine* 258: 105–112

[illegible]

to surface

ingens

[illegible]

101 113A

.....

NEW MEXICO OIL CONSERVATION COMMISSION
MISCELLANEOUS REPORTS ON WELLS
JUL 11 1957
(Revised 3-55)

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

COMPANY WELLS (Address)

LEASE 1-1-1 WELL NO. 6 UNIT 9 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 1045 1046 1047 1048 1049 1050 1051 1052 1053 1054 1055 1056 1057 1058 1059 1060 1061 1062 1063 1064 1065 1066 1067 1068 1069 1070 1071 1072 1073 1074 1075 1076 1077 1078 1079 1080 1081 1082 1083 1084 1085 1086 1087 1088 1089 1090 1091 1092 1093 1094 1095 1096 1097 1098 1099 1100 1101 1102 1103 1104 1105 1106 1107 1108 1109 1110 1111 1112 1113 1114 1115 1116 1117 1118 1119 1120 1121 1122 1123 1124 1125 1126 1127 1128 1129 1130 1131 1132 1133 1134 1135 1136 1137 1138 1139 1140 1141 1142 1143 1144 1145 1146 1147 1148 1149 1150 1151 1152 1153 1154 1155 1156 1157 1158 1159 1160 1161 1162 1163 1164 1165 1166 1167 1168 1169 1170 1171 1172 1173 1174 1175 1176 1177 1178 1179 1180 1181 1182 1183 1184 1185 1186 1187 1188 1189 1190 1191 1192 1193 1194 1195 1196 1197 1198 1199 1200 1201 1202 1203 1204 1205 1206 1207 1208 1209 1210 1211 1212 1213 1214 1215 1216 1217 1218 1219 1220 1221 1222 1223 1224 1225 1226 1227 1228 1229 1230 1231 1232 1233 1234 1235 1236 1237 1238 1239 1240 1241 1242 1243 1244 1245 1246 1247 1248 1249 1250 1251 1252 1253 1254 1255 1256 1257 1258 1259 1260 1261 1262 1263 1264 1265 1266 1267 1268 1269 1270 1271 1272 1273 1274 1275 1276 1277 1278 1279 1280 1281 1282 1283 1284 1285 1286 1287 1288 1289 1290 1291 1292 1293 1294 1295 1296 1297 1298 1299 1300 1301 1302 1303 1304 1305 1306 1307 1308 1309 1310 1311 1312 1313 1314 1315 1316 1317 1318 1319 1320 1321 1322 1323 1324 132

NEW MEXICO OIL CONSERVATION COMMISSION
DRAWER 100
ALBUQUERQUE, NEW MEXICO

2nd well

FIELD REPORT FOR CONCRETE OF WELLS

Operator <i>A. M. Reinartz</i>		Lease <i>STATE</i>		Well # <i>2</i>	
Location of Well	County	Township	Range	County <i>LOPPY</i>	
Placing		Type of Equipment		<i>Cable Tool</i>	
Contractor <i>CON. BREITEL</i>		APPROVED CASING PROGRAM <i>11-1-12</i>			
Size of Hole	Size of Casing	Weight Per Foot	Now or Used	Depth	Sacks Concrete
	<i>7"</i>			<i>22'</i>	
Casing Data:					
Surface Joints of <i>1</i> inch <i>11</i> Grade					
Inspected by <i>(Approved)</i> (Rejected) <i>(date)</i>					
Cementing Program					
Size of hole		Size of Casing		Sacks cement required	
Type of Shoe used		Float collar used		Item 3 Jts welded	
TD of hole <i>588'</i>		Set Feet of <i>11</i> inch <i>11</i> Grade			
New-used casg. @ <i>1</i> inch		with <i>11</i> inch		sacks neat cement around shoe	
Plug down @ <i>1</i> inch		(AM) (PM) Date			
Cement circulated		No. of Sacks			
Generated by		Witnessed by			
Temp. Survey run @ <i>(AM) (PM)</i>		Data <i>top cement @</i>			
Casing lost @ <i>(AM) (PM)</i>		Data			
Method used		Witnessed by			
Checked for shut off @ <i>(AM) (PM)</i>		Data			
Method used		Witnessed by			
Remarks:					

Well plugged on bottom

10 lbs. TD. = 4-12-13 H.L.

5 lbs. at surface.
with clay bottom plug.

Bureau Office
 DISTRICT
 1631 E. French Dr., Idaho, 83404
 DISTRICT
 411 South First Avenue, Rm. #210
 DISTRICT
 1000 N. Main St., Boise, ID 83720

Bureau Office
 CONSERVATION DIVISION
 2040 South Highway
 Boise, ID 83720

RECEIVED
 30-015-01092
 30-015-01092
 30-015-01092
 30-015-01092

SUNDY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PETROLEUM OR MINERAL RESOURCES DEPARTMENT
 DIFFERENT RESERVE. USE "APPLICATION FOR PETROLEUM (C-100)" FOR PETROLEUM
 1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator: DELA TAYLOR

3. Address of Operator: 1403 W. EDWARDS ST. CASHMAN, Rm. 10200

4. Well Location: 1650' feet from the road

5. Well No.: 2310

6. State Oil & Gas Lease No.: 2310

7. Lease Name or Unit Agreement Name: EMERSON STATE

8. Well No.: 2310

9. Field Name or Well No.: 2310

10. Township: 21S Range: 27E NMP: Edg County: Edg

11. Section: 15

12. Check appropriate box to indicate Nature of Notice, Report or Other Data
 SUBSEQUENT REPORT OF:
 REMEDIAL WORK ☐ ALTERING CASING ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐ COMMENCE DRILLING OPER. ☐ PLUG AND
 PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐ CLOSING TEST AND CEMENT JOB ☐ ADJUSTMENT ☐
 OTHER: Temporary Abandon ☒ OTHER: ☐
 13. Describe proposed (if completed) operations. (Clearly state all pertinent data, including estimated date of starting & any
 proposed work. SEE RULE 110). For Multiple Completions Attach wellbore diagram of proposed completion or recompletion.
 Well #2 has 5 1/2" casing to 190' from the surface
 Ofc, 2000 the well was baled with a static level of fluids
 was determined to be 216' from the surface, 26' below the
 bottom of the casing, this determination requested by Mr. Tim Gunn.
 Temporary Abandonment status is requested for the well,
 as discussed with Mr. Tim Gunn.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
 SIGNATURE: DeLa Taylor TITLE: operator DATE: 4/4/00
 Type of print name: DeLa Taylor Telephone No.: 829-2820
 APPROVED BY: Tim Gunn TITLE: Field Rep DATE: 11-1-00
 Constituent of approval, if any

to Approprate
District Office
DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO REPERFORATE INTO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM NO. 101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
DEL TAYLOR

3. Address of Operator
1403 W. EDWARDS, CARLSBAD, N.M. 88220

4. Well Location
Unit letter O feet from the South line and 2310 feet from the East line
Section 15 Township 21S Range 27E NMPM Eddy County McKinley
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3284

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ REMEDIAL WORK ☐ ALTERING CASING ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐ COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐ CASING TEST AND CEMENT JOB ☐
OTHER: Temporary Abandon ☒ OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Well #17 has 6 5/8" casing to 196' from the surface
Sept 28, 2000 the well was checked to determine the static level to be 224' from the surface, 28' below the bottom of the casing; this determination requested by Mr. Tim Gun

Temporary Abandonment status is requested for the well
as discussed with Mr. Tim Gun. Temporary Nov 2005

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

SIGNATURE Del Taylor TITLE operator DATE 11/4/00
Type or print name DEL TAYLOR Telephone No. 889 2520
(This space for State use)
Tim Gun
APPROVED BY Field Rep DATE 11-21-00
Conditions of approval, if any:

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO.
30-015-01100

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Exxon State

8. Well Number #0007

9. OGRID Number 161968

10. Pool name or Wildcat

Magruder: Yates

SUNDRIY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEVELOP OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-10) FOR SUCH
PROPOSALS.)
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐
2. Name of Operator
Mesquite SWD Inc.
3. Address of Operator
P.O. Box 1479 Carlsbad NM 88220
4. Well Location
-- Unit Letter-O -- feet from the line and -- feet from the line
Section 15 Township 21S Range 27E NMMPM County Eddy
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Fit or Below-grade Tank Application ☐ or Closure ☐

Pit Type: Depth to Groundwater: Distance from nearest fresh water well: Distance from nearest surface water:

Pit Liner Thickness: mill Below-Grade Tanks: Volume: bbls Construction Material:

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion

1) Ran new pump and tubing in hole, put back into production, 12-15-06

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC's guidelines ☐ a general permit ☐ or an (attached) alternative DCD-approved plan ☐.

SIGNATURE Clay L. Willson TITLE V.P. DATE 1/25/07

Type or print name Clay L. Willson
No. 885-3996

E-mail address: Telephone

For State Use Only Jim W. Egan
APPROVED BY District II Supervisor DATE 1/25/07
Conditions of Approval (if any):



Kay C. Havenor, Ph.D

Office: 575-622-0283
e-mail: KHavenor@GeoResources.com
200 West First Street, Suite 747
Roswell, New Mexico 88201

December 9, 2008

Thomas M. Hnasko, Esq.
Hinkle, Hensley, Shanor & Martin, LLP
P.O. Box 2068
Santa Fe, New Mexico 87504

Re: Cross-section and clarification on wells
in Sec. 15, T21S-R27E, Eddy Co., NM

Dear Mr. Hnasko:

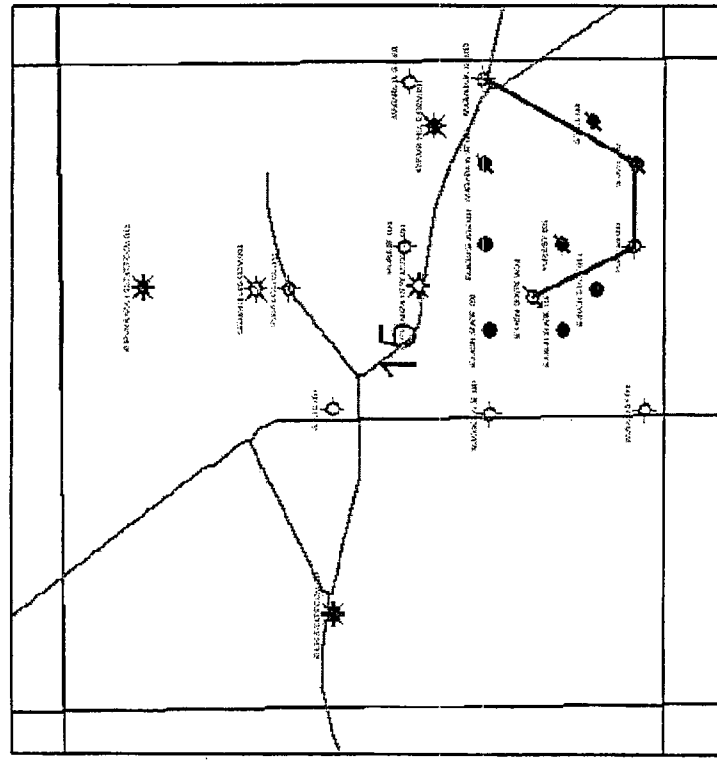
An examination of the relationship of the Mesquite SWD, Inc. Exxon State No 8 casing with the hole conditions, TD, plugging, and subsurface location of the Magruder Yates field pay zone in three other wells of interest was deemed necessary to clarify some existing confusion.

Concerns had been raised in Case No. 14178, Order No. R-13043 as to the plugging of API 30-015-01087 Magnolia State No. 3 and API 30-015-01090 Pure State No. 6. The Geoscience Technologies report dated November 21, 2008 submitted corrected plugging diagrams for both of those wells. The November 21, 2008 report also correct the API number for the Pure State No. 6 (incorrectly shown as 30-015-01099) in our earlier reports.

The confusion resulted from the OCD records filed under 30-015-01090. There are actually two different well record sets contained in that one file. One set is for the Pure State No. 6, located 330' FSL and 1650' FEL and the second set is for State No. 2 well located 330' FSL and 990' FEL of Section 15. My well data and records are filed by API number. Early in the initial investigation I assigned an unused API number (30-015-01099) to one of those two wells and retained the current file number for the second well. I used the 01099 number for the Pure State #6, obviously a mistake in hindsight, which left 30-015-01090 on the State No. 2. Unfortunately, later when preparing the plugging diagrams from the OCD records, obviously no plugging reports for 30-015-01099 were found, because it does not exist. The OCD relied upon that diagram, which has since been corrected. However, the State No. 2 remains without an API number, although my records and this report now show it as the 30-015-01099, an unused API number.

A cross-section is presented below to illustrate the structural and stratigraphic relationships of four wells in the Magruder Yates field, along with casing and plugging relationships between the wells. The locations of the wells are shown in Figure 1.

Mesquite SWD, Inc.
Section 15, T21S-R27E, Eddy County, NM
Well Identification and Cross-section Location



Cross-section
 • Water Disposal well
 * Oil well
 * Gas well
 * Gas - Oil well
 * Abandoned Gas well
 * Abandoned Oil/Gas well
 * Dry hole

Location of Well Cross-section
 Illustrating Casing, Plugging and
 Top of Magruder pay zone

Map source: USGS topo NAD 27 base
 DeLorme XII (sp 4 D)

Geoscience Technologies
 Key Havenor, Ph.D., RFG
 Roswell, New Mexico
 December 9, 2008

Figure 1. Location of wells in cross-section, Sec. 15, T21S-R27E, Eddy Co., NM

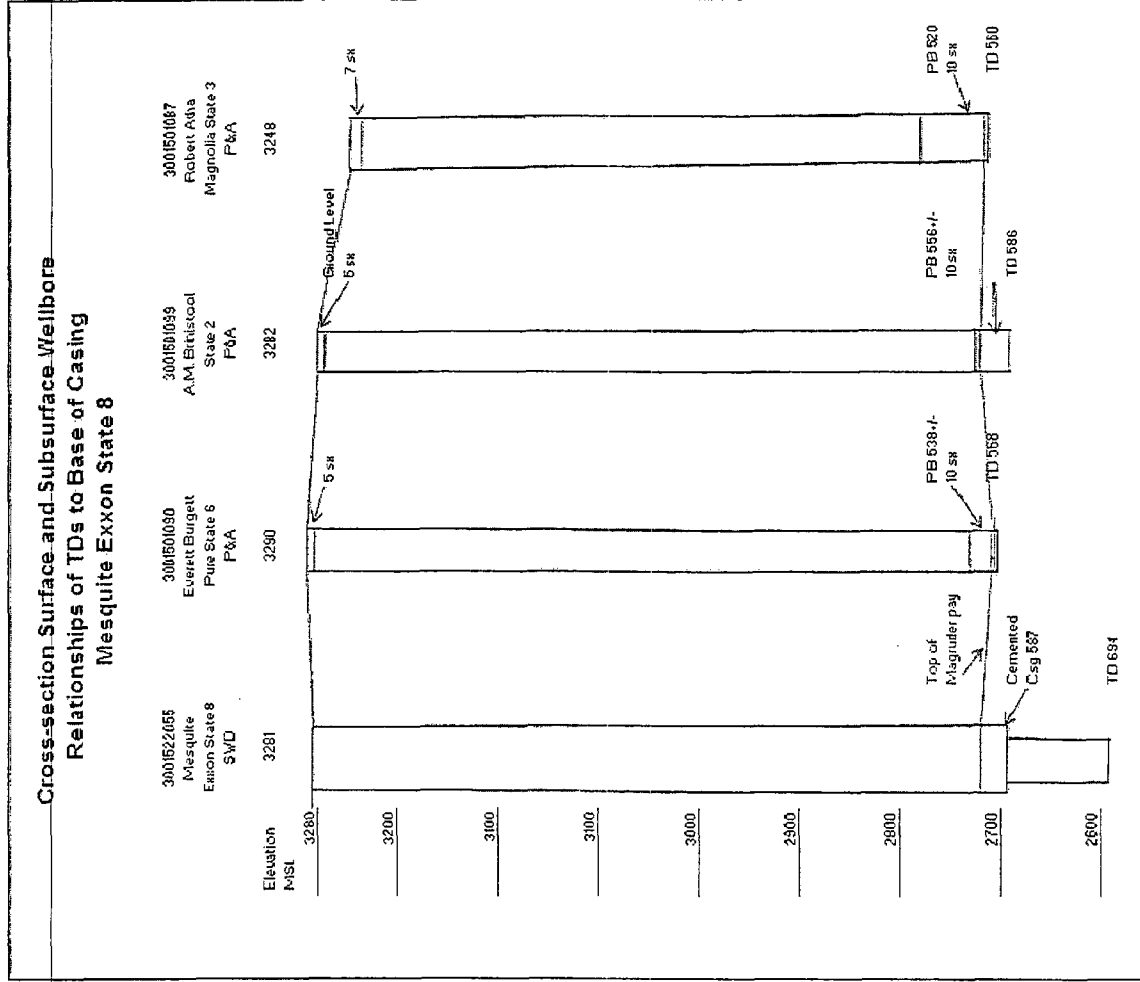


Figure 2. Cross-section of plugging showing casing relations to plugged wells.

Figure 2 illustrates the relationships of the total depths, the plugging configurations of the abandoned wells; and their subsurface structural and stratigraphic relationships. This diagram graphically illustrates that none of the three plugged and abandoned wells have a total depth (TD) equal to or greater than the base of the cemented casing in the Exxon State No. 8. More importantly, the cement plugs located above the top of the Magruder Yates pay zone to TD of each well further separate each well from the stratigraphic and physical depth base of the cemented casing in the Exxon No. 8 - and from the other wells.

One additional consideration, also described in our previous reports, is that the drilling histories of the wells in the Section 15 portion of the Magruder Yates field have repeatedly demonstrated a lack of formation water above the Magruder Yates pay zone. This shows lithologic separation and lack of up-hole hydrologic connections.

Lithologic separation from the Magruder Yates pay zones and the bottom of the casing in the Exxon State No. 8 has previously been demonstrated to provide hydrologic separation from the oil producing wells that surround the Exxon State No. 8 water disposal well. Those wells are the Exxon No. 1, 2, 3, and 7 shown above in Figure 1. No water injection from the Exxon State No. 8 enters these wells.

Respectfully submitted,

Kay C. Havenor

Kay C. Havenor