

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

Lease Serial No.
NMNM114979

SUBMIT IN TRIPLICATE - Other instructions on page 2		6. If Indian, Allottee or Tribe Name
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator MESQUITE SWD INCORPORATED Contact: MELANIE WILSON E-Mail: mjp1692@gmail.com		8. Well Name and No. MESA VERDE SWD 3
3a. Address CARLSBAD, NM 88220	3b. Phone No. (include area code) Ph: 575-914-1461	9. API Well No. 30-015-44676-00-X1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T24S R31E SESW 1030FSL 2635FWL 32.212948 N Lat, 103.731544 W Lon		10. Field and Pool or Exploratory Area SWD-DEVONIAN
		11. County or Parish, State EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original APD
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Mesquite SWD is respectfully submitting this sundry to request a variance to the 10M annular policy. Mesquite is proposing using a 5M annular, rather than a 10M annular.

Please see the attached Well Control Plan.

BC 2-27-18
Accepted for record - NMCCD

NM OIL CONSERVATION
ARTESIA DISTRICT
FEB 27 2018

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #404294 verified by the BLM Well Information System For MESQUITE SWD INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by MUSTAFA HAQUE on 02/15/2018 (18MH0021SE)	
Name (Printed/Typed) SHERYL BAKER	Title DRILLING SUPERINTENDENT
Signature (Electronic Submission)	Date 02/12/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>MUSTAFA HAQUE</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>02/22/2018</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>Carlsbad</u>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

** BLM REVISED **

**Mesquite SWD, Inc.
Well Control Plan**

- III. General Procedures While Running Casing:
- a. Sound alarm – alert crew
 - b. Stab full opening safety valve and close
 - c. Space out drill string
 - d. Open HCR
 - e. Shut well in, utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut in
 - h. Notify rig manager and Mesquite SWD, Inc. company representative
 - i. Call Mesquite SWD, Inc. engineer
 - j. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - k. Regroup, identify forward plan
- IV. General Procedures With No Pipe in Hole (Open Hole):
- a. Sound alarm – alert crew
 - b. Open HCR
 - c. Shut well in with blind rams
 - d. Close choke
 - e. Confirm shut in
 - f. Notify rig manager and Mesquite SWD, Inc. company representative
 - g. Call Mesquite SWD, Inc. engineer
 - h. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - i. Regroup, identify forward plan
- V. General Procedures While Pulling BHL Through BOP Stack:
1. Prior to pulling last joint of drill pipe through stack
 - A. Perform flow check and if flowing:
 - a. Sound alarm – alert crew
 - b. Stab full opening safety valve and close
 - c. Space out drill string with tool joint just beneath upper pipe ram
 - d. Open HCR
 - e. Shut well in utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut in
 - h. Notify rig manager and Mesquite SWD, Inc. company representative
 - i. Call Mesquite SWD, Inc. engineer
 - j. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - k. Regroup, identify forward plan

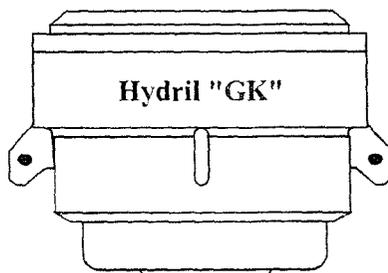
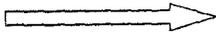
Mesquite SWD, Inc. Well Control Plan

2. With BHL in the BOP stack and compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm – alert crew
 - b. Stab full opening safety valve and close
 - c. Space out drill string with tool joint just beneath upper pipe ram
 - d. Open HCR
 - e. Shut well in utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut in
 - h. Notify rig manager and Mesquite SWD, Inc. company representative
 - i. Call Mesquite SWD, Inc. engineer
 - j. Read and record:
 - i. Shut in drill pressure and shut in casing pressure
 - ii. Pit gain
 - iii. Time
 - k. Regroup, identify forward plan

3. With BHA in the BOP stack and no compatible ram preventer and pipe combo immediately available
 - a. Sound alarm – alert crew
 - b. If possible to pick up high enough, pull string clear of the stack and follow Open Hole scenario (III)
 - c. If impossible to pick up high enough to pull the string clear of the stack:
 - i. Stab crossover, make up one joint/stand of drill pipe and full opening safety valve and close
 - ii. Space out drill string with tool joint just beneath the upper pipe ram
 - iii. Open HCR
 - iv. Shut in utilizing upper VBRs
 - v. Close choke
 - vi. Confirm shut in
 - vii. Notify rig manager and Mesquite SWD, Inc. company representative
 - viii. Read and record:
 1. Shut in drill pipe pressure and shut in casing pressure
 2. Pit gain
 3. Time
 - d. Regroup and identify forward plan

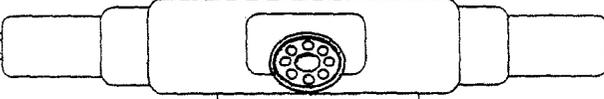
** If annular is used to shut in well and pressure build to or is expected to get to 50% of RWP, confirm space-out and swap to upper VBRs for shut in.

Hydril "GK"
13-5/8" 5M

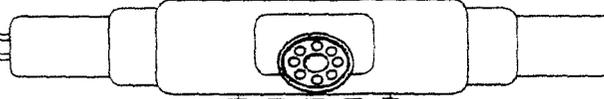


Hydril "GK"

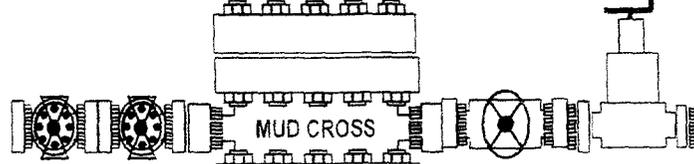
Cameron Type U
13-5/8" 10M



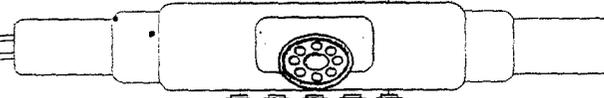
Variable Bore Rams



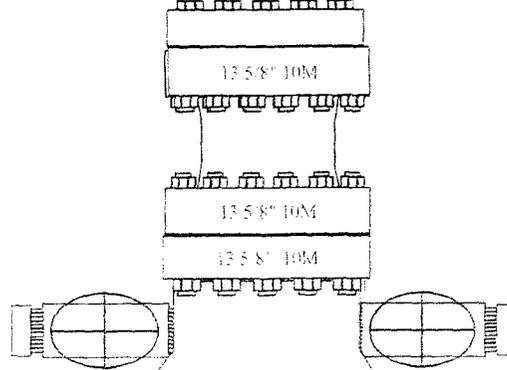
BLIND RAMS



MUD CROSS



Variable Bore Rams

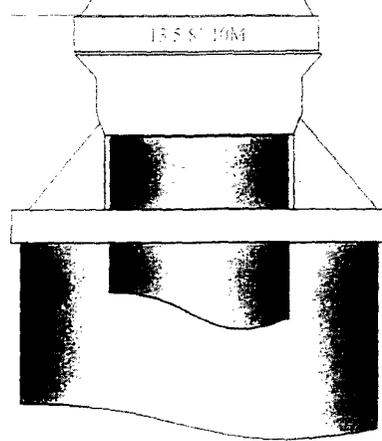


13 5/8" 10M

13 5/8" 10M

13 5/8" 10M

13 5/8" 10M



**PECOS DISTRICT
DRILLING OPERATIONS
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	Mesquite SWD Inc
LEASE NO.:	NM114979
WELL NAME & NO.:	3 – Mesa Verde SWD
SURFACE HOLE FOOTAGE:	1030'/S & 2635'/W
BOTTOM HOLE FOOTAGE:	Same as above
LOCATION:	Sec. 13, T. 24 S, R. 31 E
COUNTY:	Eddy County

All previous COAs still apply except for the following:

A. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **13 3/8** inch first intermediate casing shoe shall be **5000 (5M)** psi.
4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9 5/8** inch second intermediate casing shoe shall be **10,000 (10M)** psi.

Variance approved to use a 5M annular. The annular must be tested to full working pressure (5000 psi.)

5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the

plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

MHH 02222018