

Surface Use Plan

Attachment to BLM form 3160-3

Mesquite SWD, Inc.

Big Eddy SWD No. 1

660' FSL & 660' FEL

Sec. 3, T20S-R31E Eddy Co., NM

1. Directions to location Existing Roads

See attached detail annotated topographic map and satellite image, Exhibit 1.

- A. The re-entry location is marked with a dry hole steel marker.
- B. The entrance and pad area are firm caliche/dirt/sand with moderate mesquite/creosote overgrowth and will require little or no improvement to accommodate workover unit, re-entry tankage, and truck turn-around. After re-entry completion the planned delivery of disposal water to the well via poly line will only require regular inspection traverses of the poly line. Thus no regular traffic will be entering from the access route(s) to the well.

2. Planned Access Roads

No new access roads are planned.

3. Location of Existing Wells

- A. The existing wells within a 1/2 and a 2 mile radius are shown on Exhibit 2.

4. Location of Existing or Proposed Facilities

- A. Existing Facilities - No facilities are currently existing at or near this location.
- B. New Facilities Proposed - No storage facilities are anticipated at this location.

5. Location and Type of Water Supply

Fresh and/or brine water used in re-entry and completion will be provided by commercial truckers located in Carlsbad, New Mexico. The water will be hauled over existing roads to the location.

6. Source of Construction Material

Any caliche used for the road and well pad will be from a designated caliche pit.

7. **Methods of Handling Waste Disposal**

- A. Drilled cement cuttings and mud, if any, from the re-entry operations will be trucked to a permitted SWD, or an approved mud disposal site. No open dirt pits will be used in the re-entry operation.
- B. Trash, waste paper, garbage and junk will be contained in a fenced trash trailer to prevent scattering by the wind and hauled to a municipal sanitary landfill. All sacked drilling mud will be recovered by the supplier. No chemicals are anticipated for use.
- C. Toilet facilities will be provided during re-entry and completion for human waste. Sewage disposal will be in accordance with State and Local Regulations.
- D. No fluids are anticipated to be produced during re-entry and testing, but should any be recovered they will be temporarily stored in re-entry tankage and promptly removed to an appropriate SWD disposal facility.

8. **Auxiliary Facilities**

No new facilities will be built during re-entry of this well.

9. **Wellsite Layout**

- A. The wellsite layout is anticipated to not exceed about 300' x 300'.
- B. No pits will be dug or used.
- C. No cuts or fills will be required.

10. **Plans for Reclamation of the Surface**

- A. In a timely manner, after finishing the re-entry and/or completion, all equipment and materials not needed for disposal will be removed. The location will be cleared of all trash and debris. Any ruts, etc., will be filled. The cellar will be filled around the wellhead. Re-vegetation procedures will comply with BLM standards.
- B. Upon abandonment of the well, surface restoration will be in accordance with the surface owner requirements and will be accomplished as expediently as possible.

11. **Surface Ownership**

The surface for the wellsite is BLM and administered by the BLM.

12. **Additional Information**

- A. The topography is gently rolling sand hills.
Page 2
- B. Vegetation includes mesquite, catclaw, crosote, broomweed, and sparse grasses.
- C. C-5 Soils map and description attached as Exhibit 3.
- D. Primary surface use of the land is livestock grazing.
- E. There are no dwellings in the vicinity.
- F. The selected dirt contractor will be furnished with an approved copy of the Surface Use Plan and any additional stipulations prior to commencing any work.

13. **Operator's Representatives**

Kay Havenor
904 Moore Ave
Roswell, NM 88201-1144
(575) 622-0283

End of Page 3

Certification

I hereby certify that I have inspected the drillsite and access route, that I am familiar with the conditions that currently exist, that the statements made in this plan are, to the best of my knowledge, true and correct. The work associated with the operations proposed herein will be performed by Mesquite SWD, Inc and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for filing of a false statement.

Kay Havenor

Kay Havenor, Agent

9/7/2010

Date

Exhibit 4

Emergency contact list to be displayed at Workover Unit:

EMERGENCY CONTACTS

Contactos de Emergencia

Dial 911

Loco Hills Fire Dept	575-677-2349
Artesia Fire and Ambulance	575-746-5050
Maljamar Fire and Ambulance	575-674-4100
Artesia General Hospital	
702 N. 13th St. Artesia	575-748-3333
Carlsbad Medical Center	
2430 West Pierce Street	575-887-4100

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NMOCD ARTESIA

Exhibit 5

SUMMARY OF MISCELLANEOUS ORIGINAL WELL DATA

TD: 14,205' PBTD: 14,205' P&A: 3/13/1984 ELEV: GL 3494 KB 3514

CASING: 13-3/8" 48#, H-40 set at 812' w/750 sxs. Circulated cement
9-5/8" 32.3 & 38# H-40 & J-55 set at 2365' w/ 750 sxs. TOC NR
7-5/8" 26.4-29.7# N-80 set at 11,345' w/715 sxs (calculated). TOC NR
Later perf 7-5/8" 8409-10' sqzd with 600 sxs. Reported circulated.
5-1/2" 20# N-80 Liner 11,345'-12,970' w/120 sxs (calculated).
No casing cut or pulled.

ORIGINAL PERFORATIONS

Morrow 12592'-12608', 12460-12492'
Strawn 11486'-11504', 11527'-11532'
Wolfcamp 10690'-10710'
All perfs squeezed before/during P&A

Mesquite SWD, Inc.
P.O. Box 1479
Carlsbad, New Mexico 88221
575-706-1840

DESIGNATION OF AGENT

September 2, 2010

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 W. GREENE STREET
CARLSBAD, NM 88220

Re: Agent Authorization

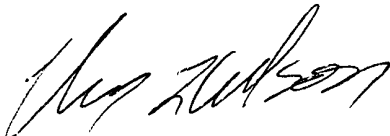
Gentlemen:

Please be informed that Kay Havenor is an Agent employed by Mesquite SWD, Inc. He is authorized to prepare and submit APDs, Right of Way applications, and other BLM-required forms.

Contact information:

Dr. Kay Havenor
200 West 1st Street, Suite 747
Roswell, NM 88203-4678
575-622-0283

Sincerely,



Clay L. Wilson
President

Bureau of Land Management
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SEP 08 2010
Carlsbad Field Office
Carlsbad, N.M.

Operator Certification

Operator: Mesquite SWD, Inc.
P.O. Box 1479
Carlsbad, NM 88221
575-706-1840

Field Representative: Kay Havenor
904 Moore Ave
Roswell, NM 88201-1144
575-622-0283

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

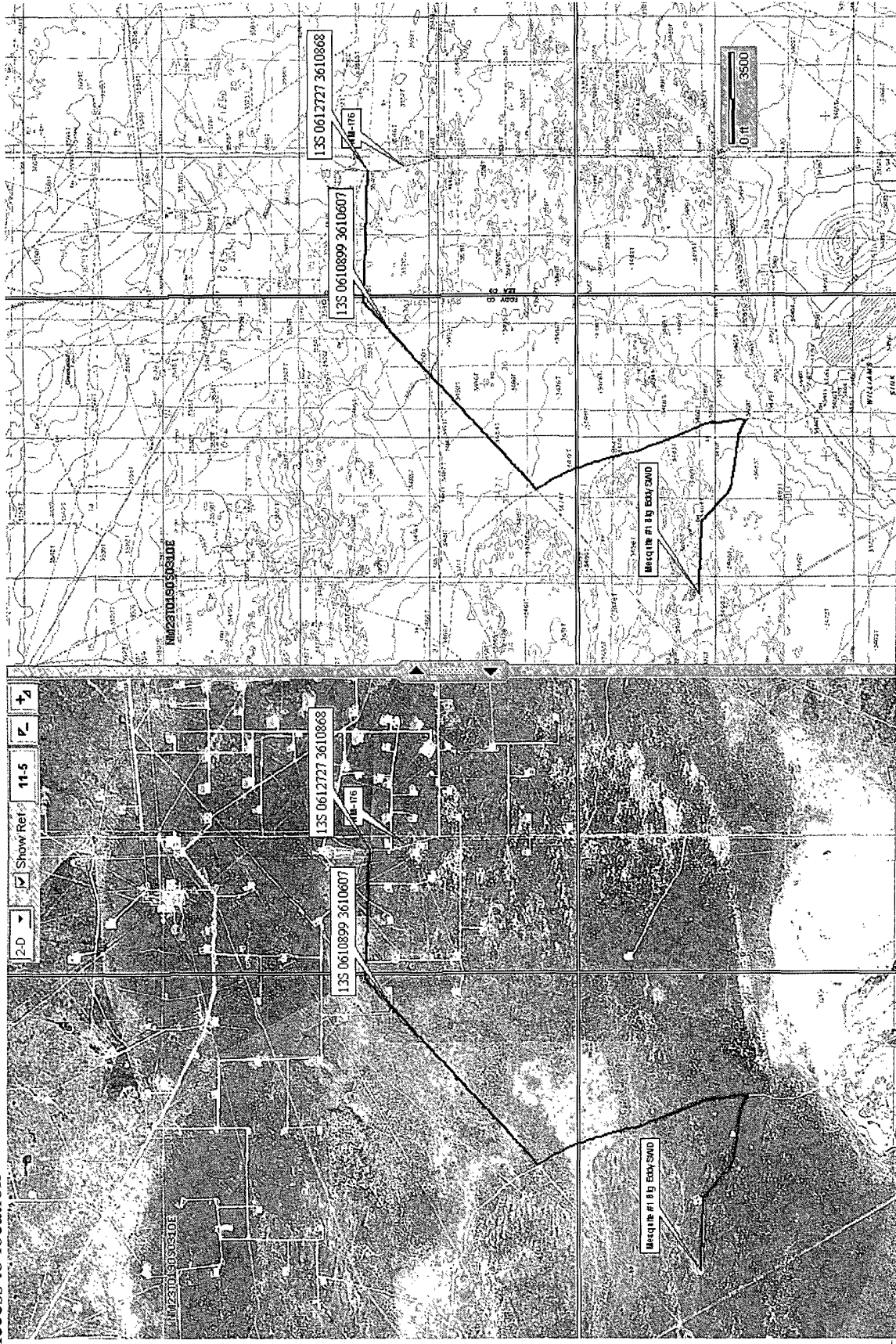
Executed this 7th Day of September, 2010:



Name: Kay Havenor
Position Title: Agent for Mesquite SWD, Inc.
Address: 904 Moore Ave., Roswell, NM 88201-1144
Telephone: 575-622-0283
Email: KHavenor@georesources.com

Exhibit I

Access to location



Carlsbad US-62 east 26.3 miles to NM-243-176 (north). North then east for 3.7 mile to NM-176 north. North on 176 for 4.4 mile (to a slight bow of the highway) to oil field road on left (west). This is the eastern point of the red road marker above. Proceed west for 0.9 miles to road junction to the southwest. Turn southwest (left) for 1.8 miles to cross-road and turn southeast (left). Continue 1.75 miles to junction of road from right (west). Turn west (right) continue 1.4 miles to Big Eddy #1 and the end of the road. The last 3/4 mile is a high voltage transmission line road.

One-Mile Radius Big Eddy SWD

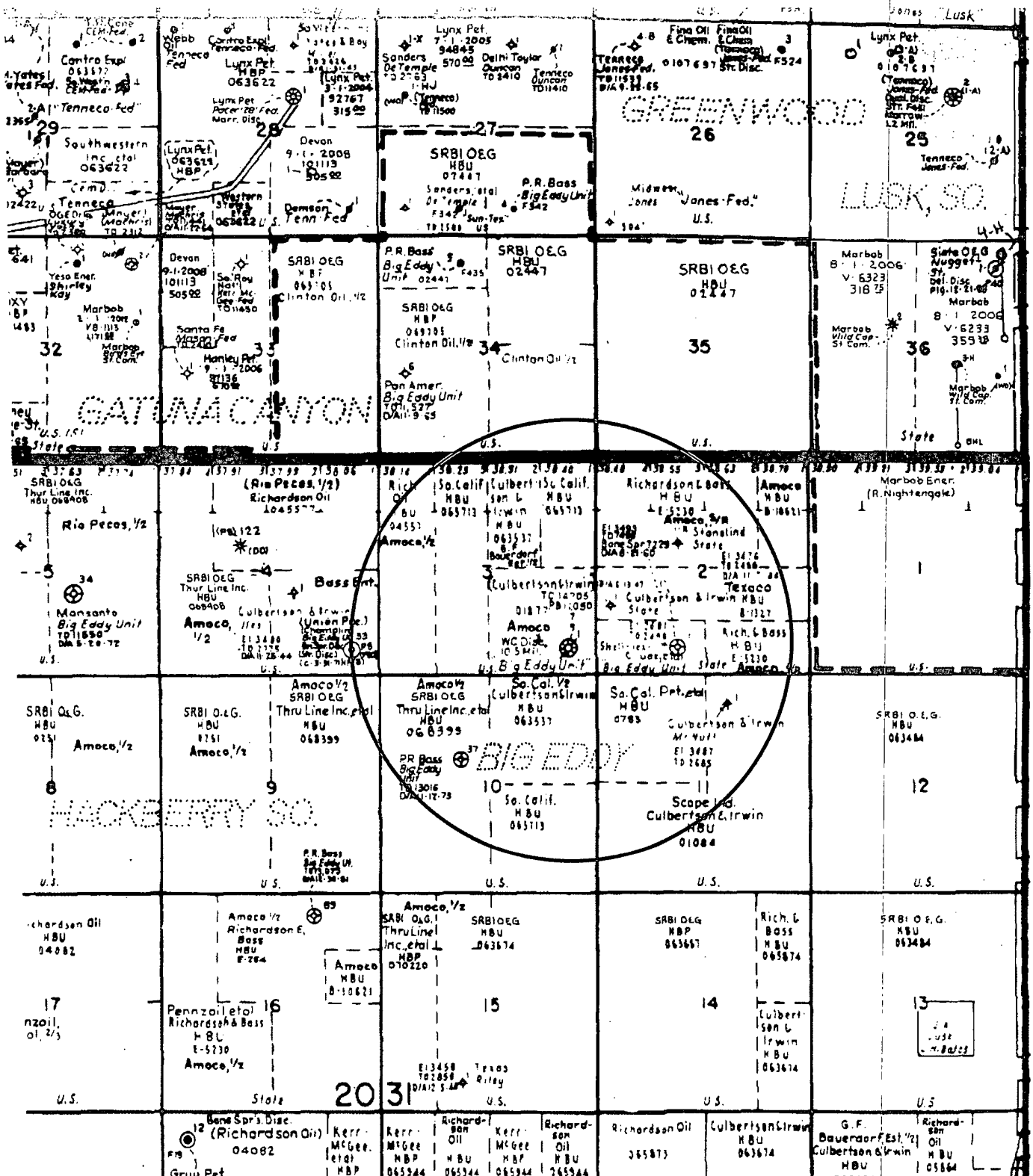
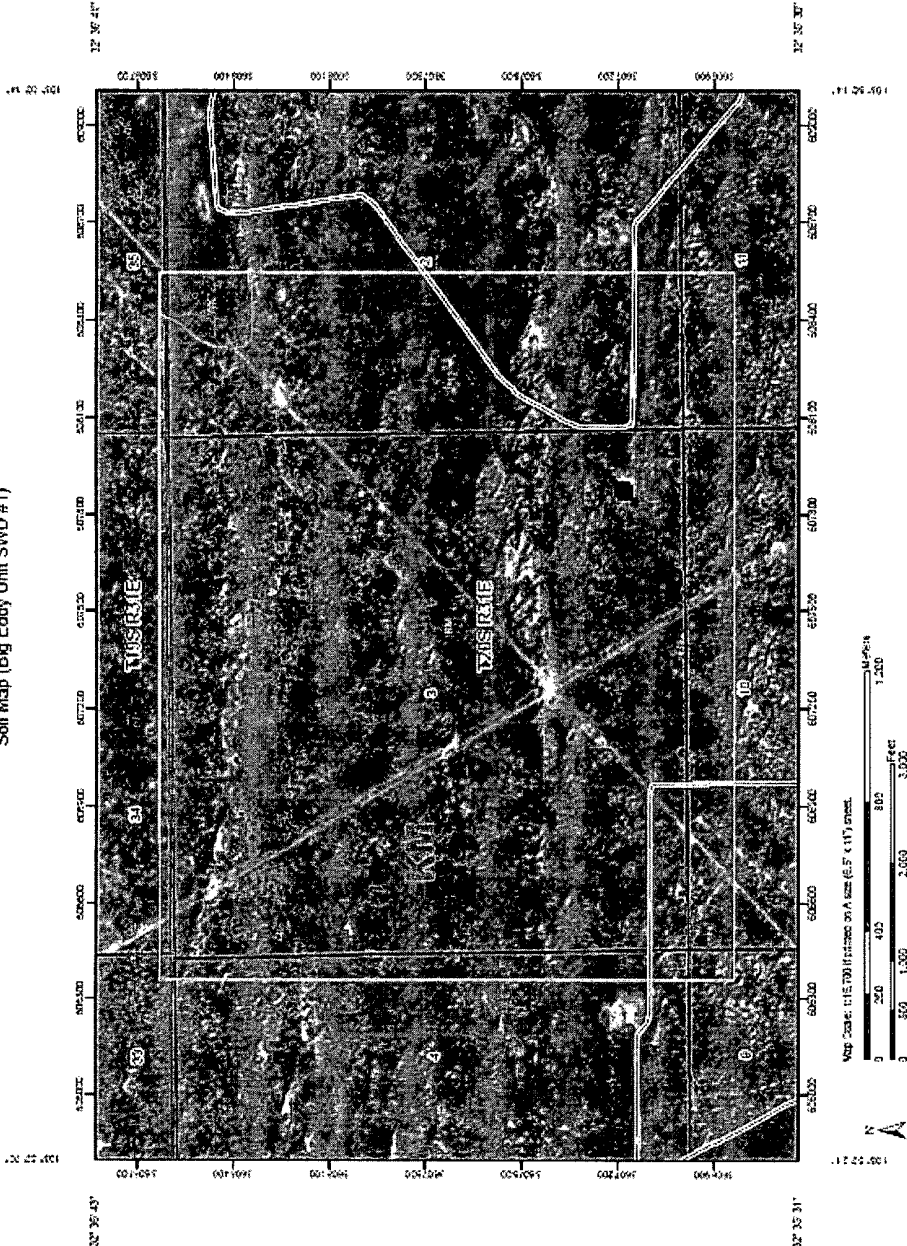


Exhibit 2

C-5 Soils Map

Custom Soil Resource Report
Soil Map (Big Eddy Unit SWD #1)

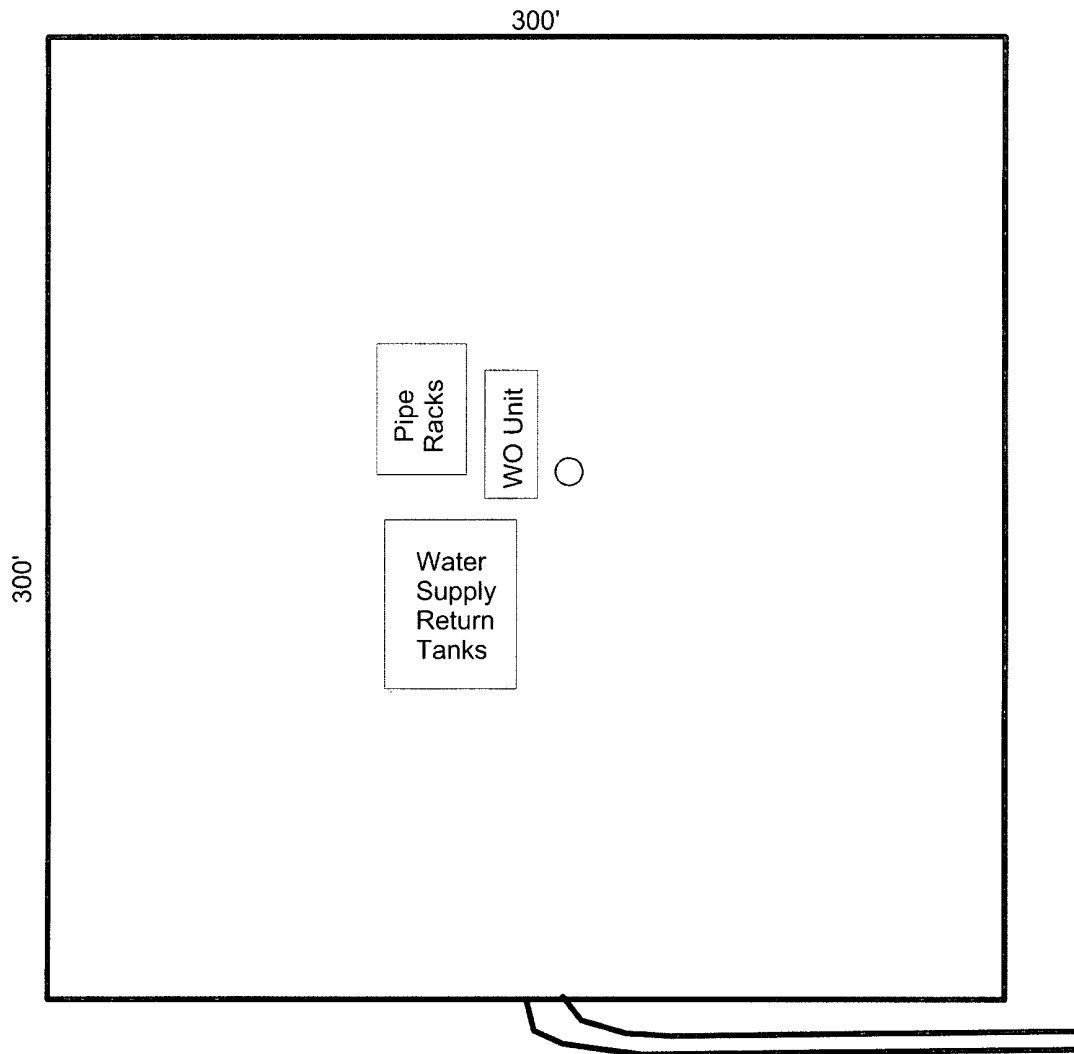


Map Unit Legend (Big Eddy Unit SWD #1)

Eddy Area, New Mexico (NM614)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
KM	Kernit-Berino fine sands, 0 to 3 percent slopes	956.5	98.0%
WK	Wink loamy fine sand, 0 to 3 percent slopes, eroded	14.0	1.4%
Totals for Area of Interest		970.6	100.0%

**Mesquite SWD, Inc.
Big Eddy SWD No. 1
660' FSL & 660' FEL
Sec. 3, T20S-R31E Eddy Co. NM**

Location Plat



Not to scale

Mesquite SWD, Inc. Big Eddy SWD No.1
660 FSL & 660 FEL
Sec. 3, T20S-R31E, Eddy Co., NM

Diagrams of Wells within the 1/2-mile AOR and the 1-mile radius of the proposed SWD well

This is the well to be re-entered:

PLUG AND ABANDON WELL DIAGRAM

API: 3001505819
Operator: Pan American
Lease: Big Eddy Unit
Location: Sec 3, T20S-R31E Eddy Co., NM
Footage: 660 FSL, 660 FEL

Well No: 1

KB: 3514
GL: 3494
Spud date: November 23, 1961
Plugged date: March 13, 1964
MSL of TD: -10691

Surface Csg

Size: 13-3/8"
Set @: 440
Sxs cmt: 750
Circ: Yes
TOC:
Hole Size: 17-1/2"

Intermediate Csg

Size: 9-5/8"
Set @: 2365
Sxs cmt: 750
Circ: N/R
TOC:
Hole Size: 12-1/4"

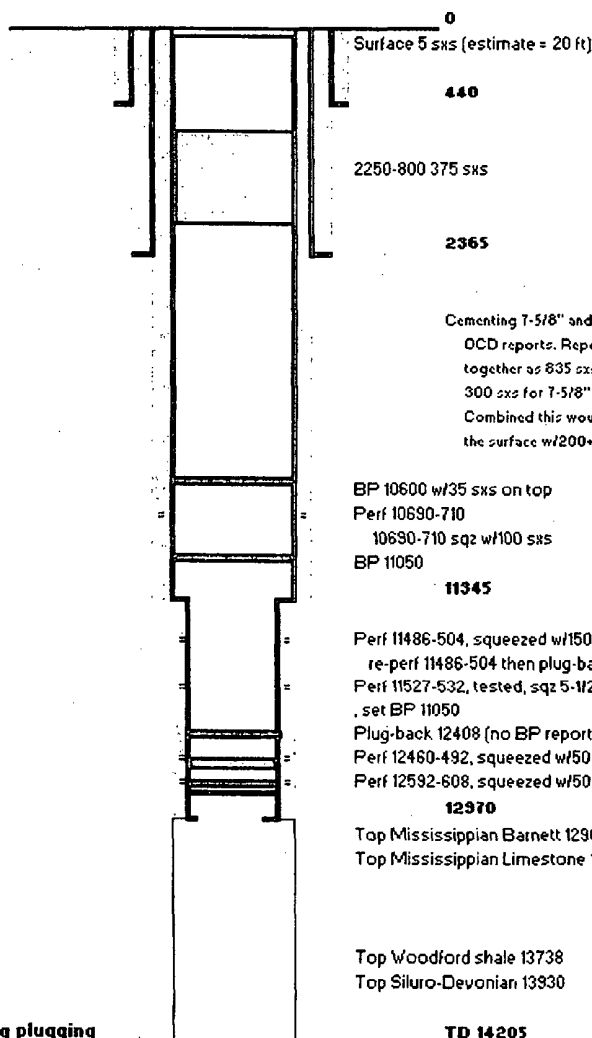
1st Production Csg

Size: 7-5/8"
Set @: 11345
Sxs cmt: 300
Circ: No
TOC: N/R
Hole Size: 8-3/4"

2nd Production Csg

Size: 5-1/2" Liner
Set @: 11345 to 12970
Sxs cmt: 2352
Circ:
TOC: to 7-5/8"
Hole Size: 6-3/4"

Hole size to TD: 6-3/4"



Note: No casing was pulled during plugging

Not to scale

PROPOSED RE-ENTRY PLAN

DL 3454

Not to Scale.

Mesquite SWD, Inc.
 Big Eddy SWD No.1
 660 FSL & 660 FEL
 Sec. 3, T20S-R31E, Eddy Co., NM

PROPOSED COMPLETION PLAN

AP# 3001505519
 Operator: Mesquite SWD.
 Lease: Big Eddy SWD Well No: 1
 Location: Sec 3, T20S-R31E Eddy Co., NM
 Footage: 660 FSL, 660 FEL

GL: 3434

Original Surface Csg

Size: 12-3/8"
 Set @: 440
 Sxs cmt: 750
 Circ: Yes
 TOD:
 Hole Size: 17-1/2"

Original Intermediate Csg

Size: 9-5/8"
 Set @: 2365
 Sxs cmt: 750
 Circ: N/R
 TOD:
 Hole Size: 12-1/4"

Original 1st Production Csg

Size: 7-5/8"
 Set @: 11345
 Sxs cmt: calc 715 (See P&A diagram notes)
 Circ: No
 TOD: N/R
 Hole Size: 8-3/4"

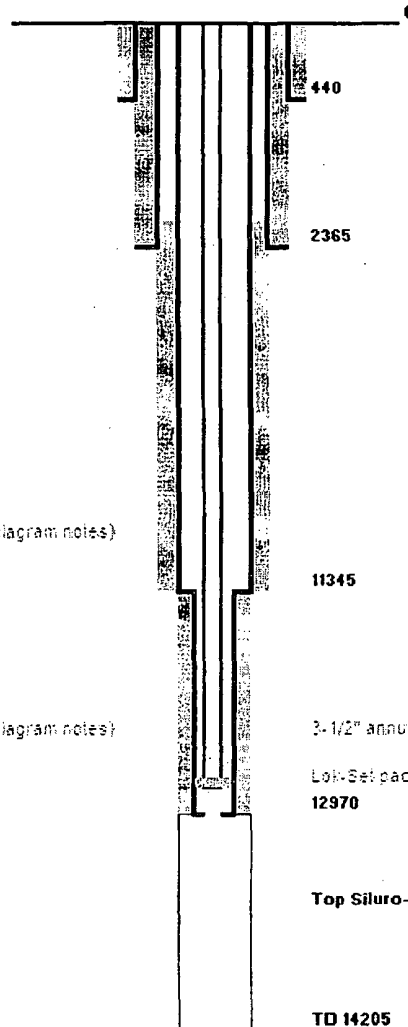
Original 2nd Production Csg

Size: 5-1/2" N80 20# Liner
 Set @: 11345 to 12970
 Sxs cmt: calc 120 (See P&A diagram notes)
 Circ:
 TOD: into 7-5/8" Annulus
 Hole Size: 6-5/8"

Open Hole Size: 6-5/8"

Tubular requirements (made-up):

3-1/2" L80 10.2# IFC 1850 coated 11250'
 3-1/2" beveled joint L80 9.3# 11250-12950' (1700' IFC 1850 coated
 Lok-Set packer at base of 5-1/2" casing approx 12950'



Top Siluro-Devonian 13930

TD 14205

Not to scale