

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Susana Martinez
Governor
John H. Bemis
Cabinet Secretary - Designate

Jami Bailey
Director
Oil Conservation Division

Response Required – Deadline Enclosed

18-Jul-11

MESQUITE SWD, INC
PO BOX 1479
CARLSBAD, NM 88221-

LETTER OF VIOLATION Delinquent Regulatory Filings

Dear Operator,

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate

NON-COMPLIANT WELL DETAIL SECTION

A N ETZ No.001

Location: 26-19S-38E

30-025-07713-00-00

Original Well Type: Salt Water Disposal Well

Well Status: Active

Determination or Violation Date: 7/18/2011

**Delinquent Report or Filing(s): - Sundry Notice - Other Paperwork or
Filing - Other Monitoring and
Reporting Violation**

Comments: Notified Clay Wilson on July 18, 2011 by phone to shut the well in until inspector can witness the MIT test & chart. The chart run on 6/15/11 (which is in question) is the wrong size of chart and is missing information. This chart and form C-103 is being denied because of missing information. The form C-144CENZ is required before you do any work over. Missing information on the subsequent report are the perms, tubing size & depth, date of MIT test and results. The chart should be 1000# chart with 1000# spring and one hour chart, and the test is run for 30 minutes at 500 lbs. On the chart should also be the perms, packer depth, who ran the chart, date of chart, operator & name and number of well, and the API number or location of the well.

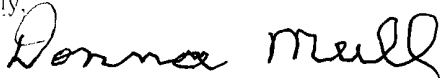
If you have questions on this matter, you may call Donna Mull, (575) 393-6161, ext 115

CORRECTIVE ACTION ON THIS WELL DUE BY: 8/29/2011

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports

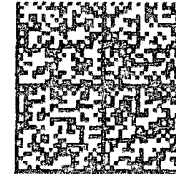
Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry

Sincerely,



Hobbs OCD District Office

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER
015H14150977
\$0.44
07/18/11
Mailed From 88240
US POSTAGE

Mesquite SWD Inc.
ATT: Clay Wilson
P O Box 1479
Carlsbad, NM 88221