State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R Catanach Division Director Oil Conservation Division



May 18 2017

Mr Ben Stone as agent for OWL SWD Operating LLC SOS Consulting LLC P O Box 300 Como TX 75431

RE <u>Administrative Order SWD-1536</u>, First Extension of Deadline to Commence <u>Injection</u>

Mills Ranch SWD Well No 1 (API 30 015-43316)
Lot 6 (Unit L) Sec 6 T23S R31E NMPM Eddy County New Mexico
Order Date May 19 2015
Injection into Devonian Silurian and Montoya formations permitted interval approximately 15400 feet to 17000 feet

Dear Mr Stone

Reference is made to your request on behalf of OWL SWD Operating LLC (the operator) to extend the May 19 2017 deadline stipulated in order SWD-1536 to commence injection for the above referenced well for an additional one year for reasons outlined in the attached correspondence

It is the Division's understanding from your request that there have been no significant changes in the information provided in the application submitted for review and approval of this order. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership

The Division finds that granting this request to extend this administrative order is in the interest of conservation will prevent waste and will protect the environment

The deadline to commence injection for the existing order is hereby extended until May 19, 2018 All requirements of the above referenced administrative order and agreements in the application remain in full force and effect. This includes maintaining the agreement with Mosaic Potash Company as required in the administrative order regarding the deadline to commence drilling

operations for this well This deadline is currently extended to February 25 2018

Sincerely

DAVID R CATANACH

Director

DRC/prg

cc Oil Conservation Division – Artesia District Office

Well File API 30-015-43316

SWD-1536