Additional

Information

2nd Extension Request 8/22/18



August 22, 2018

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

VIA EMAIL

Attn: Ms. Heather Riley, Director

Re: Second Request for Extension of Administrative Order SWD-1582 pertaining to Ray Westall Operating, Inc.'s DHY State B SWD No.1; API No.30-015-21971 to include Spud Date and Injection Commencement Date; located in Section 11, T19S-R28E, NMPM, Eddy County, New Mexico.

Dear Ms. Riley,

This permit has been extended once and is now set to expire on September 23, 2018. At the time of the first extension, we were preparing the SWD easement package with the State Land Office. That application was filed with that agency on September 5, 2017. Unfortunately, we are still waiting for approval. SLO personnel have indicated the application was complete and qualifies for approval. We believe extenuating issues unrelated to the application have caused the delay.

I have reviewed the subject Area of Review and determined that no significant changes have taken place. Leases and offset interested operators are the same; no new wells drilled. The SWD well will be configured exactly as originally permitted and will not be a high-rate well.

We hope that the SWD easement application to submitted to the State Land Office nearly one year ago will be approved soon. We therefore request one additional year for the subject permit and that an expiration date of September 23, 2019 is applied to order SWD-1536.

If you or your staff has any questions, please do not hesitate to call or email me.

Best regards,

Ben Stone, SOS Consulting, LLC Agent for Ray Westall Operating, Inc.

Attachment: First Extension of SWD-1536

Cc: Project file