Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Secretary Adrienne Sandoval, Director Oil Conservation Division



May 7, 2021

Ray Westall Operating, Inc. (OGRID 119305) c/o Ben Stone E-mail contact: ben@sosconsulting.com

RE: Administrative Order SWD-1674; Second Extension of Deadline to Inject

Well: Saguaro 28 State SWD Well No. 1(API 30-015-34001)Located: Unit L, Sec 28, T18S, R28E, NMPM, Eddy County, New MexicoOrder Date: June 6, 2017Injection formations: Wolfcamp and Pennsylvanian formation; 8,066 feet to 8,271 feet

Dear Mr. Stone:

Reference is made to your March 18, 2021 request on behalf of Ray Westall Operating, Inc., (the "operator") to extend the deadline stipulated in the above titled order to commence injection for the above referenced well for reasons outlined in your correspondence. The deadline date to commence injection under said order was one year after issuance of the order: June 6, 2019. However, the Oil Conservation Division (OCD) did not formally approve the operator's first extension request submitted May 3, 2017, which contained the required information and was submitted prior to the original deadline. Therefore, the OCD shall recognize the first extension request providing a current deadline date of June 6, 2020.

It is the OCD's understanding from your correspondence that since the date of issuance of this permit, no additional wells that penetrate the approved injection interval were drilled in the one-mile Area of Review (AOR). Additionally, two new affected parties have been identified in the AOR and noticed of the extension request. Therefore, the extension request could be reviewed administratively for approval.

The OCD finds that for reasons you have stated, the granting of this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment. Therefore, the deadline to commence injection for the existing order is hereby <u>extended until **June 6**</u>, 2022</u>.

All requirements of the above referenced administrative order and agreements in the application remain in full force and effect. Any additional extension of the deadline to commence injection for this administrative order will not be considered unless the operator has already commenced drilling of the referenced well. Otherwise, the injection authority shall expire under the terms of the extended administrative order and the operator shall be required to submit a new application to obtain injection authority for the referenced well.



ADRIENNE SANDOVAL Director

AS/bl

cc: New Mexico State Land Office – Oil, Gas, and Minerals Oil Conservation Division - Artesia District Office Order SWD-1674