

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

May 6, 2017

Michael McMillan
NM Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe NM 87505

Dear Michael,

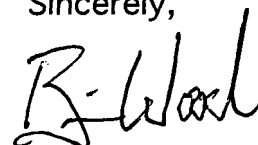
On behalf of Murchison Oil & Gas, Inc. (OGRID 15363), I am requesting a minor modification of SWD-1343 for Murchison's Ringer Federal 6 (30-015-33187). The well (in P-3-25s-26e) disposes into the SWD; Devonian (96101).

The 2012 legal ad stated a maximum of 5,000 bwpd would be disposed. Murchison has spudded 4 horizontal Bone Spring wells in 25s-26e this year. Murchison anticipates that upon completion, the added produced water from these and other wells will exceed the 5,000 bwpd threshold.

Murchison is requesting a permit modification to allow the maximum bwpd to increase from 5,000 to 10,000. Does this qualify for a minor modification?

Please call or e-mail (brian@permitswest.com) if you have any questions.

Sincerely,



Brian Wood

cc: Cottrell

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Monday, May 8, 2017 11:05 AM
To: brian@permitswest.com
Cc: Inge, Richard, EMNRD; Lowe, Leonard, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD
Subject: Murchison Oil and Gas Ringer Federal Well No. 6

Brian:
The OCD does not regulate injection rate for SWD wells. The OCD regulates pressure, so increase from 5000 BWPD to 10000 BWPD is permitted, as long as the pressure remains under .2 psi.

However, there are two concerns with the SWD reporting.

- The operator is required to report the number of days in a month the well injected. Murchison Oil and Gas has never reported the number of days in a month the well is injecting.
- Please verify with Murchison Oil and Gas that the injection pressure is 10 psi-this pressure is reported every month.

Thanks
Mike

MICHAEL A. MCMILLAN
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