State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



Matthias Sayer Deputy Cabinet Secretary

March 15, 2018

Ms. Melanie Wilson Mesquite SWD, Inc. P. O. Box 1479 Carlsbad, NM 88220

RE: <u>Administrative Order SWD-1610</u>; <u>First Extension of Deadline to Commence Injection</u>

Gnome East SWD Well No. 1 (API 30-015-43801) Unit D, Sec 35, T23S, R30E, NMPM, Eddy County, New Mexico [*220 feet from the North line and 305 feet from the West line of Section 35]

Order Date: January 13, 2016

Injection into Devonian formation; permitted interval: 15550 feet to 16550 feet

Dear Ms. Wilson:

Reference is made to your request on behalf of Mesquite SWD, Inc. (the "operator") to extend the deadline stipulated in order SWD-1610 based upon the approval date of January 13, 2016, to commence injection for the above referenced well for an additional one year for reasons outlined in the attached correspondence. The Division was provided written notification to extend this deadline prior to January 13, 2018, but issuance of an extension was suspended pending the final approval by the Bureau of Land Management of the surface location* for the well.

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. The additional evaluation for the extension included a review for the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership of affected persons notified for the original application.

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.

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The deadline to commence injection for the existing order is hereby <u>extended until January 13, 2019</u>. All requirements of the above referenced administrative order and agreements in the application remain in full force and effect.

Sincerely,

HEATHER RILEY

Director

HR/prg

cc: Oil Conservation Division – Artesia District Office

Bureau of Land Management - Carlsbad Field Office

Well file 30-015-43801

SWD-1610