

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Cabinet Secretary

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Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



October 2, 2020

OWL SWD Operating, LLC (OGRID 308339)
c/o Ramona Hovey
E-mail contact: ramona@lonquist.com

RE: Administrative Order SWD-1679-A; Second Extension of Deadline to Inject
Well: Gold Coast 26 Federal SWD Well No. 3 (API 30-025-Pending)
Located: Unit K, Sec 26, T24S, R32E, NMPM, Lea County, New Mexico
Order Date: June 12, 2018
Injection formations: Devonian and Silurian formation; 17,050 feet to 19,000 feet

Dear Ms. Hovey:

Reference is made to your August 3, 2020 request on behalf of OWL SWD Operating, LLC (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 12, 2019. However, the Oil Conservation Division (OCD) did not formally approve the operator’s first extension request submitted May 9, 2019, 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 12, 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, six new affected parties have been identified in the AOR and have been notified 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 extended until **June 12, 2021**.

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.

A handwritten signature in black ink, appearing to read 'AS', with a horizontal line underneath.

ADRIENNE SANDOVAL
Director

AS/bl

cc: Bureau of Land Management - Carlsbad Field Office
Oil Conservation Division - Hobbs District Office
Order SWD-1679-A