

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary-Designate

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 20, 2017

Mr. Jimmy Carlile
Fasken Oil and Ranch
6101 Holiday Hill Road
Midland, TX 79707

RE: Administrative Order SWD-1537; First Extension of Deadline

Quail 16 State SWD No. 9 (API 30-025-43422)

UL N, Sec 16, T20S, R34E, NMPM, Lea County, New Mexico

Order Date: April 23, 2015

Injection into the Devonian formation; permitted interval: approximately 14500 feet to approximately 16500 feet

Dear Mr. Carlile:

Reference is made to your request on behalf of Fasken Oil and Ranch (the "operator") to extend the April 23, 2017 deadline stipulated in order SWD-1537 to commence injection operations for the above referenced well for an additional one year for reasons outlined in the attached correspondence.

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. These changes include the completion of new wells within the Area of Review that penetrated the approved injection interval and any changes in ownership.

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.

All requirements of the above referenced administrative order and agreements in the application remain in full force and effect.

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Fasken Oil and Ranch
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The deadline to commence injection for the existing order is hereby extended until April 23, 2018.

Sincerely,



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Well File API 30-025-43422
SWD-1537

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FASKEN | OIL AND RANCH

6101 Holiday Hill Road
Midland, TX 79707

(432) 687-1777
jimmyc@forl.com

Jimmy D. Carlile
HSE and Regulatory Supervisor

March 9, 2017

Mr. Mike McMillan
New Mexico Oil Conservation Division
1220 South St. Francis Drive,
Santa Fe, NM 87505

Dear Mr. McMillan,

Re: Quail 16 State SWD No. 9
Extension Request for Administrative Order SWD-1537

Fasken Oil and Ranch, Ltd. is requesting an extension for the subject salt water disposal permit for 1 year from its up-coming expiration date of April 23, 2017. Fasken has drilled the subject well, but is still waiting on the New Mexico State Land Office for a Salt Water Disposal Easement to use the well. Our application to the NMSLO has been on file since October 2016. We are ready to begin disposal into the subject well as soon as the NMSLO gets the SWD Easement finalized and to us.

Conditions as submitted in the original SWD application are the same. No additional well work has been done that would impact our permit.

Please let me know if you have any questions concerning this request. I may be reached at the phone number or email address above.

Yours truly,

Jimmy D. Carlile
HSE and Regulatory Supervisor