

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



July 27, 2018

Mr. Brady Wilton
Rover Operating LLC
17304 Preston Road, Suite 300
Dallas, TX 75252

RE: Division Hearing Order No. R-13864; Third Extension of Deadline to Commence Injection

High Lonesome Queen Unit Waterflood Project

Order Date: July 22, 2014

Injection approved High Lonesome; Queen Pool (Pool Code 30780) for the following six wells:

1. **High Lonesome Queen Unit Well No. 1**
API No. 30-015-Pending; 1310' FNL & 10' FWL; Unit letter D, Section 16-16S-29E
2. **High Lonesome Queen Unit Well No. 2**
API No. 30-015-Pending; 1310' FNL & 1650' FEL; Unit letter B, Section 16-16S-29E
3. **High Lonesome Queen Unit Well No. 7**
API No. 30-015-Pending; 1980' FNL & 330' FEL; Unit letter H, Section 16-16S-29E
4. **High Lonesome Queen Unit Well No. 8**
API No. 30-015-Pending; 1980' FSL & 10' FWL; Unit letter L, Section 16-16S-29E
5. **High Lonesome Queen Unit Well No. 14**
API No. 30-015-Pending; 660' FSL & 1980' FWL; Unit letter N, Section 16-16S-29E
6. **High Lonesome Queen Unit Well No. 16**
API No. 30-015-Pending; 660' FSL & 660' FEL; Unit letter P, Section 16-16S-29E

Dear Mr. Wilton:

Reference is made to your request on behalf of Rover Operating LLC (the "operator" or "Rover") to extend the deadline stipulated in Division Order No. R-13864 (Division Case No. 15116) based on the second extension date of July 22, 2016, to commence injection for the above referenced wells for an additional six months for reasons outlined in the attached correspondence.

The Division has previously issued two one-year extensions of the original July 22, 2016 deadline to July 22, 2018, with Alamo Permian Resources, LLC as the designated operator for the first extension.

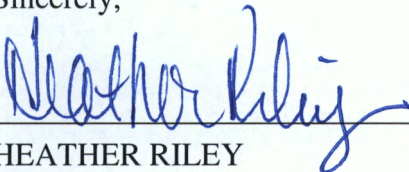
It is the Division's understanding from your correspondence that there has been no significant change in the information provided in the application submitted for the most recent extension including operators of wells ("affected person") within the one-half mile radius and wells that penetrate the approved injection interval completed within the Area of Review.

The Division finds that granting this request to extend the division order approving a waterflood project is in the interest of conservation, will prevent waste, and will protect the environment.

The deadline to commence injection for the Division Order No. R-13864 is hereby extended until January 22, 2019. All requirements of the above referenced hearing order remain in full force and effect.

If you have any questions regarding this matter, please contact Phillip Goetze by phone at 505.476.3466 or by e-mail: phillip.goetze@state.nm.us.

Sincerely,



HEATHER RILEY
Director

HR/prg

cc: Oil Conservation Division – Artesia District Office
Case No. 15116
Oil, Gas and Minerals Division – State Land Office