



IN REPLY REFER TO:

3162.3-2 (P0220)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
www.blm.gov/nm

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March 14, 2013

Mr. Phillip R. Goetze
Engineering and Geological Services Bureau
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Case 15060: Myrtle Myra SWD Well No. 3

Dear Mr. Goetze:

The Bureau of Land Management does not object to OCD approval of the application for the Myrtle Myra SWD Well No. 3, *per se*, however, we do have concerns with the proximity of the proposed injection interval (recently modified to depths of 652-720 feet subsurface) to the Capitan Reef. Water quality of the reef in the vicinity of the proposed SWD well is of good quality, with chloride-ion levels less than 5,000 mg/liter. Therefore, we strongly recommend that the operator, Owl Oil and Gas LLC, be required to submit bi-annual injection profiles to ensure that the Capitan Reef is not being adversely impacted by produced water disposal from this well.

If you have any questions regarding this approval, please contact Wesley W. Ingram, Supervisory Petroleum Engineer of the BLM Carlsbad Field Office at (575)234-5982, or Joseph Galluzzi, Geologist, BLM New Mexico State Office at (505)954-2145.

Sincerely,

Sheila Mallory
Deputy State Director
Division of Minerals