R. T. HICKS CONSULTANTS, LTD.

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March 15, 2016

Mr. Jamie Keyes
Dr. Tomas Oberding
NMOCD District 1
1625 French Drive
Hobbs, NM 88240
Via E-Mail and US Mail

APPROVED

RE: Murchison – Bettis 20 State Com 6H Temporary Pit, Permit #P1-06578
        Extension Request for Closure
        Unit P, Section 20, T24S, R33E, API #30-025-42096

Dear Mr. Keyes:

On behalf of Murchison Oil and Gas, R.T. Hicks Consultants respectfully requests a 3-month extension for the closure of the above-referenced temporary pit. NMOCD approved the C-144 pit application on July 17, 2015 and a design modification was approved on August 28. In anticipation of drilling the Bettis 6H well, transfer of drilling fluid (freshwater and cut brine) from the nearby Jackson Unit 29/30 pit to the Bettis 6H pit began on September 13, 2015. By the time all of the fluids were transferred, however, market conditions caused the release of the rig and the Bettis 6H well was not drilled.

The fluids have remained in the pit with the aim of drilling the well in the near future before the closure deadline arrived. There are no cuttings in the pit, the fluids remain clear, the fence is secure, and the liner exhibits integrity (see current adjacent photo). This request was discussed between NMOCD, Hicks Consultants, and Murchison during a tele-conference on October 19, 2015 and an update letter was submitted on October 27. An email from NMOCD on November 25, 2015 stated an openness to consider an extension request for closure.

Suction Side of Pit 3/10/2016

We request this extension to June 13, 2016 for more time to allow Murchison the option to drill the well and utilize the pit. Allowing to fluid to remain longer in the pit with regular monitoring will not cause any additional risk to the environment. Thank you for your consideration of this request.

Sincerely,

R.T. Hicks Consultants

Kristin Pope

Kristin Pope
Project Geologist

Copy: Murchison Oil and Gas, NM State Land Office (Ed Martin)