

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



**OPERATOR'S NOTICE TO DISCONTINUE USE OF INJECTION  
FORMAL NOTICE OF LOSS OF INJECTION AUTHORITY**

August 25, 2014

06 SWD LLC  
1902 Tatum Hwy  
Lovington, NM 88260

RE: **06 SWD LLC**  
**STATE AK SWD, N-S10-T11S-R33E**  
**API #30-025-21800, SWD ORDER 558**

Dear Operator:

Please note this letter as notification that 06 SWD LLC, has been given formal notice, regarding the termination of injection, on the above referenced well. *Operator is to cease injection into the above well effective immediately.*

The below rule stipulates the Oil Conservation Division's authority to enforce the above.

**19.15.26.12(C)(1)(2) COMMENCEMENT, DISCONTINUANCE AND ABANDONMENT OF INJECTION OPERATIONS:**

**C. Abandonment of injection operations.**

- (1) Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.
- (2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or continuous non-injection, or during the term of a previously granted extension.

Please note the following:

Pursuant to 19.15.26.12(C)(1) (NMAC) Termination of Injection is enforced – State AK SWD #001 has been inactive for excess of 12 consecutive months.

Pursuant to 19.15.26.8 (NMAC) Application for Continued use of Injection - Operator will need to re-apply for a new Salt Water Disposal Permit.

Pursuant to 19.15.5.9 (A)(NMAC) Compliance – The Division will only grant a permit if the Operator is in compliance with this rule and eligibility has been met.

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In addition, according to Form C145 signed by Patricia Olivas, the well was obtained and commenced operatorship under 06 SWD, LLC. Effective July 24, 2014. As Operator of the State AK SWD #001, operator has agreed to comply with all stipulations on Form C145, Page 2. Failure to comply with State Rules and Regulations above constitutes the Loss Of Authority To Inject.

If Operator continues to use the State AK SWD #001, without approved authority, further action may be enforced by the State of New Mexico, not limited to request for Plug and Abandonment of the well.

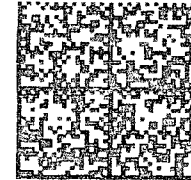
Sincerely,

A handwritten signature in black ink, appearing to read "Maxey G. Brown". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Maxey G. Brown

District I Office

EMNRD  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



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