

State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



August 20, 2019

Mickey O'Hare
Maralex Disposal, LLC
PO Box 338
Ignacio, CO 81137

FORMAL NOTICE OF LOSS OF INJECTION AUTHORITY

RE: **Disposal Permit: SWD-1005**
Pool: SWD; Morrison, Bluff, Entrada
Centerpoint SWD Well No. 1 API 30-045-33464
Unit P, Sec 24, T31N, R11W, NMPM, San Juan County, New Mexico

Dear Sir:

The purpose of this letter is to give you formal notice that your authority to inject into the well identified above has terminated. **You may not inject into this well until you obtain a new injection permit.**

19.15.26.12(C)(1) NMAC states the following:

“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.”

Non-reporting of disposal to the Division is considered as “non-injection” for purposes of triggering automatic termination of the authority to use the well for disposal. Pursuant to Division Rule 19.15.7.24 NMAC, disposal volumes must be reported on or before the 15th day of the second month following the month of disposal on OCD Form C-115 (Monthly Production Reports). Failure to report disposal to the OCD is a violation of OCD rules and the Oil and Gas Act, NMSA 1978 § 70-2 et seq., and may be punishable by a fine of not more than one thousand dollars (\$1000) per day for each violation. NMSA 1978 § 70-2-31.

The operator of this well must immediately ensure the well is shut-in and disconnected from incoming sources of disposal.

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If you wish to again use this well for disposal, you must apply for a new disposal permit pursuant to Division Rule 19.15.16.8 NMAC after proper notice using form C-108 either through the administrative process or an examiner hearing. The well must not again be used for disposal until such permit has been approved, all conditions of approval completed, the well passes a new Mechanical Integrity Test, and the District office of the Division has approved a new form C-104. Please also be aware that pursuant to Division Rule 19.15.25.8 NMAC, or any applicable Agreed Compliance Order, this well has a limited time in which it must be returned to service, temporarily abandoned, or plugged and abandoned. For deadlines, please refer to said rule or agreement.

If you have any question regarding the procedure to obtain a new disposal permit for this well, please contact William Jones at (505) 476-3477 or Phillip Goetze at (505) 476-3466. If you have questions as to C-115 reporting, inactive well status, or other compliance issues, contact Daniel Sanchez at (505) 476-3493.

Sincerely,



Brandon Powell
District Supervisor
District III, Aztec

CC: SWD-1005/Well File/API No. 30-045-33464
Daniel Sanchez, Compliance Manager of the Oil Conservation Division
William Jones, Engineering Bureau Chief – Santa Fe
Eric Ames – Legal Counsel for the Division