



30-025-29711  
HOBBS OCD  
OCT 30 2017  
RECEIVED

**Aubrey Dunn**  
COMMISSIONER

**State of New Mexico**  
**Commissioner of Public Lands**

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October 22, 2017

Wayne Price  
Cobalt Operating LLC  
3001 North Big Spring  
Suite 207  
Midland, TX 79705

**Certified Mail**

7017 1405 0002 1690 7862

**Re: Termination of Salt Water Disposal Easement SWD-317 (Consolidated State #3)**

Dear Mr. Price,

This letter is to inform you of the termination of Salt Water Disposal Easement SWD-317 effective October 22, 2017 per paragraph 11 of said easement due to non-payment of the easement fees due to the New Mexico State Land Office, and lack of authority from the NM Oil Conservation Division to inject.

Should you wish to resume salt water disposal activity at this location, you must re-apply for an easement. No salt water disposal may take place using the well designated the consolidated State #3, API 30-025-29711 absent a new easement.

All equipment on site used exclusively for the disposal of salt water must be removed. The well, plugged and abandoned per the requirements of the New Mexico Oil Conservation Division.

If you have any questions, please contact Faith Crosby of the Oil, Gas and Minerals Division at the address above or by calling (505)-827-5849.

Respectfully,

Aubrey Dunn  
Commissioner of Public Lands

PP/EM/fc

Cc: New Mexico Oil Conservation Division, Hobbs, NM