

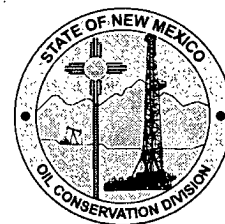
# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



March 6, 2012

OXY USA WTP, LP  
Attn: Karen Sinard, Regulatory Team Leader  
P.O. Box 4294  
Houston, Texas 77210

Sent Via:

First-Class Mail

Email: [karen\\_sinard@oxy.com](mailto:karen_sinard@oxy.com)

Facsimile: (713) 985-1404

**Re: OXY USA WTP, LP – OGRID 192463**  
**Termination of Injection Authority - Jones Canyon 4 Federal #6 (API #30-015-30948)**

Dear Operator:

According to the records of the Oil Conservation Division (OCD), there has been no injection into the Jones Canyon 4 Federal #6 well since August 2010. (The well failed a mechanical integrity test on August 11, 2010, and reportedly has been shut-in awaiting repair ever since then.) The well is identified in OCD records as a salt water disposal well. OXY USA WTP, LP (OXY) is the operator of record of the well.

Since there has been no injection into the Jones Canyon 4 Federal #6 well for over a year, the authority to inject into the well issued under Administrative Order SWD-756 has terminated pursuant to OCD Rule 19.15.26.12(C) NMAC.

OCD Rule 19.15.26.12(C) NMAC states:

**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.

There is no indication in OCD records that OXY ever sought an administrative extension of the well's injection authority prior to the end of one year of continuous non-injection.

**Since there has been no injection into the Jones Canyon 4 Federal #6 salt water disposal well for over a year and no extension of injection authority prior to the end of the year, the authority to inject into the well pursuant to Administrative Order SWD-756 has terminated pursuant to OCD Rule 19.15.26.12 (C) NMAC.**

OXY will have to apply with the Division's Engineering Bureau for authority for injection in the Jones Canyon Federal #6 well if it wishes to inject into the well. Please contact Will Jones in the Division's Engineering Bureau at (505) 476-3448 or [William.V.Jones@state.nm.us](mailto:William.V.Jones@state.nm.us) to discuss this matter further.

Please feel free to call me at (505) 476-3493 or email me at [daniel.sanchez@state.nm.us](mailto:daniel.sanchez@state.nm.us) if you have any questions.

Sincerely,



Daniel Sanchez  
OCD Compliance and Enforcement Manager

Cc: Jami Bailey, OCD Director  
Richard Inge, OCD District 2 Compliance Officer  
Randy Dade, OCD District 2 Supervisor  
Sonny Swazo, OCD, Santa Fe