

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 17, 2016

Dancliff LLC
P. O. Box 70
Loco Hills, NM 88255
Attn: Aaron Lotz

RE: Return of C-108 Application for Authorization to Inject
MWJ State Well No. 1Y (API 30-015-23888)
860' FSL, 2020' FWL; Unit N, Sec 30, T24S, R29E, NMPM, Eddy County, New Mexico

Mr. Lotz:

The application by Dancliff LLC for authority to inject in the reference well is being returned to the applicant. The referenced well is currently an active disposal well with injection authority under Division Order R-13151-A (issued September 17, 2009). The Division cannot approve an administrative order for injection for a well already authorized to another operator, in this Probity SWD, LLC. This operator and the referenced well are encumbered by a compliance issue which has not been resolved.

Additionally, the applicant, Dancliff LLC, is not in good standing as an operator since there is no financial assurance (bond) filed with the Division and, correspondingly, no OGRID number issued to the Dancliff LLC. Both of these items need to be resolved before Division can consider reviewing any application submitted by Dancliff LLC.

Please contact me with any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Goetze", is written over a horizontal line.

PHILLIP GOETZE, PG
UIC Technical Reviewer
Engineering Bureau
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