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Stephanie Garcia Richard
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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OFFICE
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310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

September 20, 2019

Via Certified Mail -7018.0360.0000.2188.1876
Permian Water Solutions, LLC
600 Travis, Suite 4700
Houston, TX 77002

Attn: James Corbitt

Re: 30 day notice of non-renewal of State of New Mexico Easement #SW-330, Kaiser State SWD #9, 30-025-02538

Dear Mr. Corbitt,

Salt Water Disposal Easement #SW-330, an easement to inject saltwater into the Kaiser SWD No. 9, expired on January 6, 2018. The State Land Office (SLO) has reviewed your renewal application and hereby provides Permian Water Solutions, LLC (Permian) notice of denial of the renewal. Numerous produced water spills at the site requiring remediation have not yet been addressed and the well is out of compliance with state regulations. Please be advised that Permian must immediately cease and desist injection of saltwater into the above-referenced well.

Easement No. SW-330 will be considered terminated and your authority to access the site denied as of September 20, 2019. Permian will have 30-days from the date of this letter to contact the SLO regarding closure and full remediation of the site.

The SLO has communicated with your company, or its representatives, numerous times in attempts to resolve the remediation requirements without sufficient action to resolve them. If these issues are not fully resolved by October 20, 2019, this matter will be referred to our Office of General Counsel for further action. Also, any bonds attributable to this easement will be forfeited.

If you have any questions or concerns, please Faith Crosby at 505-827-5849 or fcrosby@slo.state.nm.us.

Sincerely,

A handwritten signature in black ink, appearing to read "JK" or similar initials.

Jordan Kessler
Assistant Director, Minerals Division

Cc: Oil Conservation Division, District I
fc