

on the injection well to no more than 540 psi.

That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the San Andres formation.

That the operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

That the operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

That the operator shall notify the Director of the Division and said supervisor of the date of first disposal through said well.

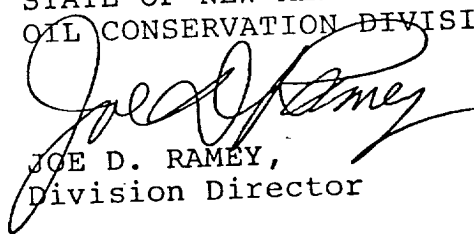
That injection may not commence until the operator has obtained a surface pressure upon the casing-casing annulus on its Flag "TD" State Com Well No. 1, located in Unit F of Section 18 of said township.

That the operator shall advise the supervisor of the Artesia district office of the date and time of such pressure test in order that the Division, at its option, may witness such test.

<sup>3</sup>  
PROVIDED FURTHER, That jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 30th day of March, 1982.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Division Director