manner which is satisfactory to the supervisor of the Aztec District Office of the Division.

(13) The injection of water into the proposed water injection wells as described in Exhibit "B" should be accomplished through plastic lined tubing installed in a packer set approximately 100 feet above the uppermost perforation; the casing-tubing annulus should be filled with an inert fluid; and a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(14) Prior to commencing water injection operations, the casing in the subject wells should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(15) The applicant failed to provide sufficient geological evidence to support its request for an increased injection pressure for the proposed project, therefore, the injection wells or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on all injection wells to no more than 0.2 psi per foot of depth to the uppermost perforation.

(16) The Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such a higher pressure will not result in migration of the injected fluids from the formation.

(17) The operator should give advance notification to the supervisor of the Aztec District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

(18) The subject application should be approved and the project should be governed by the provisions of Rule 702 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, WR Oil and Gas Company, is hereby authorized to institute a pilot combination steam project and reinstitute water injection in five existing injection wells on its Santa Fe Pacific Railroad Lease (SFPRR) in Sections 20, 21, 28, and 29, Township 16 North, Range 6 West, NMPM, Upper Gallup formation, Miguel Creek Gallup Oil Pool, McKinley County, New Mexico, and to utilize the eight existing wells as described in