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SUBJECT: SALT WATER DISPOSAL WELL

ORDER NO. SWD-196

THE APPLICATION OF DOME PETROLEUM CORPORATION
FOR A SALT WATER DISPOSAL WELL.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701 (C) Dome Petroleum Corporation, made application to the New Mexico Oil Conservation Commission on November 28, 1977, for permission to complete for salt water disposal its Federal Well No. 3, located in Unit M of Section 21, Township 20 North, Range 5 West, NMPM, McKinley County, New Mexico.

The Secretary-Director finds:

1. That application has been duly filed under the provisions of Rule 701 (C) of the Commission Rules and Regulations;
2. That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
3. That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 (C) will be met.
4. That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Dome Petroleum Corporation, is hereby authorized to complete its Federal Well No. 3, located in Unit M of Section 21, Township 20 North, Range 5 West, NMPM, McKinley County, New Mexico, in such a manner as to permit the injection of salt water for disposal into the Gallup formation at approximately 3750 feet to approximately 3970 feet through 3 1/2 inch plastic lined tubing set in a packer at approximately 3700 feet.

IT IS FURTHER ORDERED:

That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That injection pressures shall not exceed 750 pounds per square inch as measured at the surface.

That the operator shall notify the supervisor of the Commission's Aztec 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 or necessary to correct such failure or leakage.

PROVIDED FURTHER: That jurisdiction of this cause is hereby retained by the Commission 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 Commission may terminate the authority hereby granted in the interest of conservation. That applicant shall submit

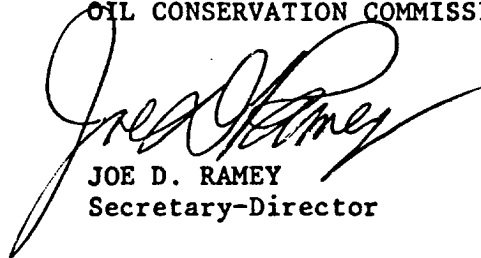


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monthly reports of the disposal operation in accordance with Rule 704 and 1120 of the Commission Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 29th day of December, 1977.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A handwritten signature in dark ink, appearing to read "Joe D. Ramey", is written over the typed name and title.

JOE D. RAMEY
Secretary-Director

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