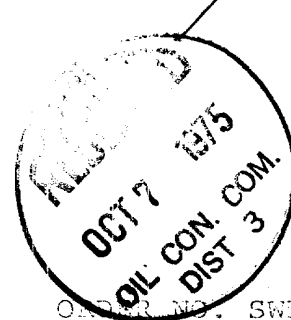


THE APPLICATION OF FILON EXPLORATION
CORPORATION FOR A SALT WATER DISPOSAL WELL.

ORDER NO. SWD-172



ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701 (C), Filon Exploration Corporation, made application to the New Mexico Oil Conservation Commission on September 17, 1975, for permission to complete for salt water disposal its Federal 11 C, Well No. 2, located in Unit P of Section 11, Township 19 North, Range 4 West, NMPM, Sandoval 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, Filon Exploration Corporation is hereby authorized to complete its Federal 11 C, Well No. 2 located in Unit P of Section 11, Township 19 North, Range 4 West, NMPM, Sandoval County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Gallup formation at approximately 3080 feet to approximately 3600 feet through 2 7/8-inch plastic lined tubing set in a packer located at approximately 3050 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 the operator shall notify the supervisor of the Commission's Aztec District Office before injection is commenced through said well.

That the operator shall immediately 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 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 2nd day of
October, 1975.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOE D. RAMEY
Secretary-Director

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