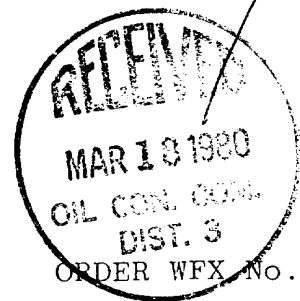


APPLICATION OF HICKS ENCO, INC.  
TO EXPAND ITS WATERFLOOD PROJECT  
IN THE HORSESHOE GALLUP POOL IN  
SAN JUAN COUNTY, NEW MEXICO.



ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-1745, Hicks Enco, Inc. has made application to the Division on January 21, 1980, for permission to expand its Horseshoe Gallup Waterflood Project in the Horseshoe Gallup Oil Pool in San Juan County, New Mexico.

NOW, on this 3rd day of March, 1980, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Order No. R-1745.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-1745.
5. That the proposed expansion of the above referenced water flood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Hicks Enc, Inc., be and the same is hereby authorized to inject water into the Gallup formations through plastic-lined tubing set in a packer at approximately 870 feet in the following described well for purposes of secondary recovery to wit:

Horseshoe Gallup Waterflood Project #2 Navajo Well No.  
F-110 in Unit M of Section 3, Township 31 North,  
Range 17 West, NMPM, San Juan County, New Mexico.

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 injection well or system shall be equipped with a pop-off valve or device which will limit the wellhead pressure to a maximum of 200 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of confining strata.

That the operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said well;

That the operator shall immediately notify the Supervisor of the Division'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.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Division Director

SEAL