

County, New Mexico, in such manner as to permit the injection of waste water for disposal purposes into the Cliffhouse and Upper Menefee formations at approximately 3294 feet to 3460 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 3240 feet.

IT IS FURTHER ORDERED THAT:

The operator shall have in effect, prior to commencing construction operations, a plugging bond approvable by the Division, for the estimated amount required to plug the well according to the proposed closure plan and adjusted for inflation for the estimated life of the well.

Additionally, the operator shall, as a requirement of said well's construction, circulate cement to the surface, on the surface, intermediate and long strings of casing, as applicable.

Prior to commencing injection operations into said well, the operator shall either, 1) perform cement squeeze operations to establish a top of cement in both wells at approximately 2800 feet or, 2) plug and abandon the Amoco Davis Gas Com Unit F Well No. 1.

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.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and maintained at a pressure of 100 psi and equipped with a device for continuous monitoring of the pressure pursuant to the approved Division Discharge Plan GW-130.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 659 psi.

The operator shall conduct on an annual basis, a mechanical integrity test in a manner pursuant to conditions in the approved Division Discharge Plan GW-130).

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 Cliffhouse and Upper Menefee formations. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisors of the Aztec district office and the Environmental Bureau of the Division of the date and time of the installation of disposal equipment and of the annual mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Aztec district office and the Environmental Bureau of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

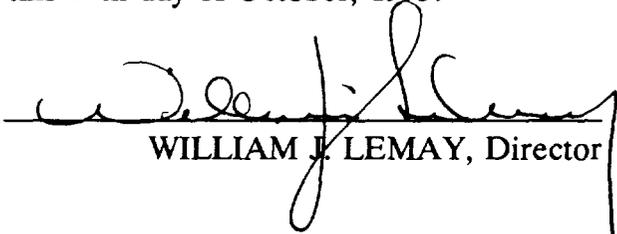
PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The operator shall provide a representative analysis of the injected fluids on a quarterly basis, pursuant to WQCC 5-208.A.2.(a).

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 6th day of October, 1993.


WILLIAM J. LEMAY, Director

WJL/BES/amg

xc: Oil Conservation Division - Hobbs
Environmental Bureau - Santa Fe
Files: GW-1
GW-130