FORM 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NMNM97164
6. If Indian, Allottee or Tribe Name: N/A
7. If Unit or CA, Agreement Designation: N/A

1. Type of Well
Oil Well ☐ Gas Well ☐ Other ☒ Leasewide

8. Well Name and No.: Federal "24" Lease
9. API Well No.:

2. Name of Operator: Falcon Creek Resources, Inc.

10. Field and Pool, or Exploratory Area: Blinebry, Abo, East Warren Tubb

3. Address and Telephone No.: 621 17th Street, Suite 1800, Denver, CO 80293-0621

11. County or Parish, State: Lea County, NM

4. Location of Well (Footage, Sec., T., R., M., or Survey Description): SE/4, S/2 SW/4 Section 24, T20S R38E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
☐ Notice of Intent	☐ Abandonment	☐ Change of Plans
☒ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☐ Other _____	☒ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The operator requests authorization for saltwater disposal from the subject lease into the NMF State #1 SWD well located in the NW/4 NW/4 Sec. 36, T20S R38E, Lea County, NM. (See attached for details and supporting documentation)

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Signed _____ Title Senior Engineer Date 02/02/00

(This space for Federal or State office use)
Approved by (ORIG. SGD.) ALEXIS C. SWOBODA Title PETROLEUM ENGINEER Date FEB 16 2000
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States andy false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction.

*See Instructions on Reverse Side

FALCON CREEK RESOURCES, INC.

621 17th Street, Suite 1800
Denver, Colorado 80293-0621

Telephone 303-675-0007
Facsimile 303-675-0008

February 2, 2000

U.S. Bureau of Land Management
Hobbs Inspection Office
414 West Taylor
Hobbs, NM 88240

Re: Federal "24" Lease, Lease NMNM97164, Sec. 24 T20S R38E, Lea Co., NM, Saltwater Disposal Request and Incident of Noncompliance #SJC-035-00

To Whom It May Concern:

Falcon creek Resources, Inc. herein requests authorization for saltwater disposal for the above referenced Federal "24" lease into the NMF State #1 well as described in a later paragraph. This letter is also our response to the referenced Incident of Noncompliance for having failed to previously secure that authorization.

The Federal "24" lease produces oil gas and water from the Blinebry, Tubb and Abo formations. The average water production per well for the month of November, 1999 was:

Federal "24" Lease Water Production (11/99)		
	BWPD	
Fed. "24" #1 - (Blinebry)	26	
Fed. "24" #1 - (Tubb)	5	
Fed. "24" #2 - (Blinebry)	14	
Fed. "24" #2 - (Tubb)	10	
Fed. "24" #3 - (Abo)	13	
Fed. "24" #4 - (Blinebry)	41	
Fed. "24" #4 - (Abo)	19	
Fed. "24" #4 - (Tubb)	23	
Fed. "24" #5 - (Abo)	0	
Fed. "24" #5 - (Tubb)	24	
Fed. "24" #6 - (Abo)	0	
Fed. "24" #6 - (Tubb)	0	
Total	175	
Federal "24" Lease Water, 11/99, By Zone		
	BWPD	
Blinebry	81	
Tubb	62	
Abo	32	
Total	175	

Attached are water analyses from each of the producing zones. We have no analyses from the Blinebry from the Federal "24" lease so analyses from the adjacent Kyte lease are provided.

The Federal "24" lease has two battery facilities, one each at the Federal "24" #1 and Federal "24" #2 wells. At the "24" #1 battery, water is held in a 250 Bbl open top steel tank. At the "24" #2 battery water is held in a 210 Bbl fiberglass tank. The water is then moved to the saltwater disposal well by a transfer pump and pipeline with separate metering at each battery.

Saltwater disposal for the lease is into the NMF State #1 Saltwater Disposal Well (NW/4 NW/4 Sec. 36, T20S R38E, Lea County, New Mexico). The disposal well is operated by Falcon Creek Resources under New Mexico Oil Conservation Division Administrative Order **SWD-726.** A copy of that order, issued October 13, 1998, is attached.

Should you require any further information in regard to this Request for Saltwater Disposal or our response to the Noncompliance Notice, please feel free to call me at the letterhead phone number, extension 132.

Sincerely,
Falcon Creek Resources, Inc.

Joe H. Cox, Jr.
Senior Engineer

attachments

Permian Treating Chemicals
WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Stevens & Tull
Lease : Kyte Federal
Well No.: # 4
Lab No. : Blinebry

Sample Loc. :
Date Analyzed: 05-May-1998
Date Sampled :

ANALYSIS

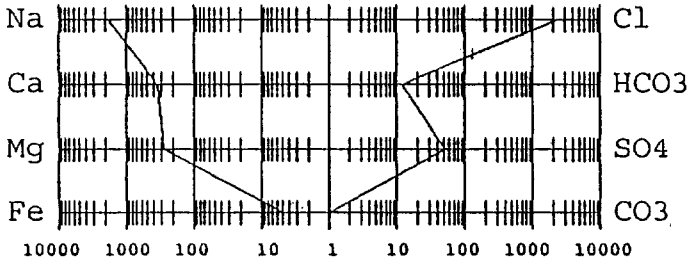
1.	pH	6.170
2.	Specific Gravity 60/60 F.	1.096
3.	$CaCO_3$ Saturation Index @ 80 F.	+0.392
	@ 140 F.	+1.272

	Dissolved Gasses	MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide	Not Present		
5.	Carbon Dioxide	Not Determined		
6.	Dissolved Oxygen	Not Determined		

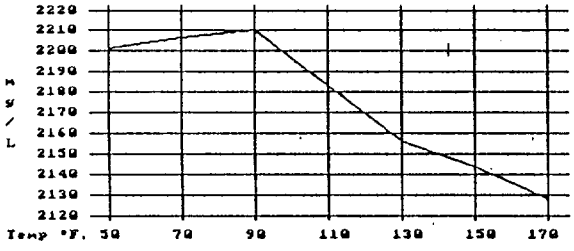
	Cations			MG/L		EQ. WT.		*MEQ/L
7.	Calcium	(Ca^{++})		6,774	/	20.1	=	337.01
8.	Magnesium	(Mg^{++})		3,161	/	12.2	=	259.10
9.	Sodium	(Na^{+})	(Calculated)	40,852	/	23.0	=	1,776.17
10.	Barium	(Ba^{++})		Not Determined				

	Anions		MG/L		EQ. WT.		*MEQ/L
11.	Hydroxyl	(OH^{-})	0	/	17.0	=	0.00
12.	Carbonate	($CO_3^{=}$)	0	/	30.0	=	0.00
13.	Bicarbonate	(HCO_3^{-})	708	/	61.1	=	11.59
14.	Sulfate	($SO_4^{=}$)	2,450	/	48.8	=	50.20
15.	Chloride	(Cl^{-})	81,982	/	35.5	=	2,309.35
16.	Total Dissolved Solids		135,927				
17.	Total Iron (Fe)		84	/	18.2	=	4.62
18.	Total Hardness As $CaCO_3$		29,927				
19.	Resistivity @ 75 F. (Calculated)		0.050 /cm.				

LOGARITHMIC WATER PATTERN
*meq/L.



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X *meq/L	= mg/L.
$Ca(HCO_3)_2$	81.04	11.59	939
$CaSO_4$	68.07	50.20	3,417
$CaCl_2$	55.50	275.22	15,275
$Mg(HCO_3)_2$	73.17	0.00	0
$MgSO_4$	60.19	0.00	0
$MgCL_2$	47.62	259.10	12,338
$NaHCO_3$	84.00	0.00	0
$NaSO_4$	71.03	0.00	0
NaCl	58.46	1,775.03	103,768

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts in solution.

Permian Treating Chemicals

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Stevens & Tull
Lease : Federal 24
Well No.: # 2
Salesman:

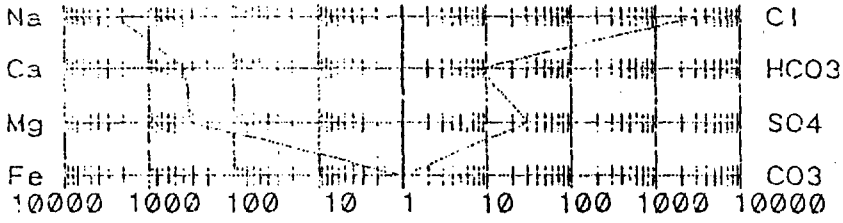
Tubb

Sample Loc. :
Date Analyzed: 22-September-1997
Date Sampled :

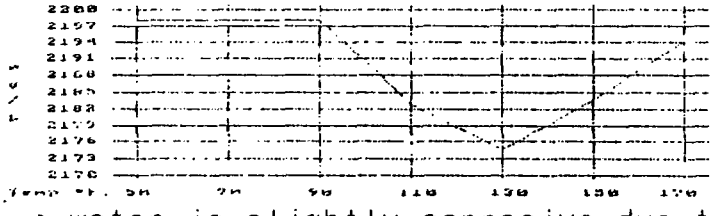
ANALYSIS

1.	pH		6.190		
2.	Specific Gravity 60/60 F.		1.123		
3.	$CaCO_3$ Saturation Index	@ 80 F.	+0.523		
		@ 140 F.	+1.543		
	Dissolved Gasses		MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide		Not Present		
5.	Carbon Dioxide		Not Determined		
6.	Dissolved Oxygen		Not Determined		
	Cations				
7.	Calcium (Ca^{++})		6,977	/ 20.1 =	347.11
8.	Magnesium (Mg^{++})		3,835	/ 12.2 =	314.34
9.	Sodium (Na^{+})	(Calculated)	56,935	/ 23.0 =	2,475.43
10.	Barium (Ba^{++})		Not Determined		
	Anions				
11.	Hydroxyl (OH^{-})		0	/ 17.0 =	0.00
12.	Carbonate ($CO_3^{=}$)		0	/ 30.0 =	0.00
13.	Bicarbonate (HCO_3^{-})		488	/ 61.1 =	7.99
14.	Sulfate ($SO_4^{=}$)		1,450	/ 48.8 =	29.71
15.	Chloride (Cl^{-})		109,975	/ 35.5 =	3,097.89
16.	Total Dissolved Solids		179,660		
17.	Total Iron (Fe)		19	/ 18.2 =	1.02
18.	Total Hardness As $CaCO_3$		33,214		
19.	Resistivity @ 75 F. (Calculated)		0.012 /cm.		

LOGARITHMIC WATER PATTERN
*meq/L.



Calcium Sulfate Solubility Pnofile



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X *meq/L =	mg/L.
$Ca(HCO_3)_2$	81.04	7.99	647
$CaSO_4$	68.07	29.71	2,023
$CaCl_2$	55.50	309.41	17,172
$Mg(HCO_3)_2$	73.17	0.00	0
$MgSO_4$	60.19	0.00	0
$MgCL_2$	47.62	314.34	14,969
$NaHCO_3$	84.00	0.00	0
$NaSO_4$	71.03	0.00	0
NaCl	58.46	2,474.13	144,638

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts in solution.

Permian Treating Chemicals

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Stevens & Tull
Lease : Federal 24
Well No.: # 1
Salesman:

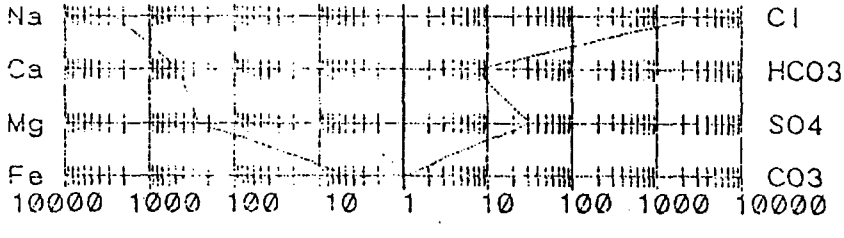
Tubb

Sample Loc. :
Date Analyzed: 22-September-1997
Date Sampled :

ANALYSIS

1.	pH		5.860		
2.	Specific Gravity 60/60 F.		1.126		
3.	$CaCO_3$ Saturation Index	@ 80 F.	+0.283		
		@ 140 F.	+1.383		
	Dissolved Gasses		MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide		Not Present		
5.	Carbon Dioxide		Not Determined		
6.	Dissolved Oxygen		Not Determined		
	Cations				
7.	Calcium	(Ca^{++})	8,503	/ 20.1 =	423.03
8.	Magnesium	(Mg^{++})	3,108	/ 12.2 =	254.75
9.	Sodium	(Na^{+}) (Calculated)	57,842	/ 23.0 =	2,514.87
10.	Barium	(Ba^{++})	Not Determined		
	Anions				
11.	Hydroxyl	(OH^{-})	0	/ 17.0 =	0.00
12.	Carbonate	($CO_3^{=}$)	0	/ 30.0 =	0.00
13.	Bicarbonate	(HCO_3^{-})	449	/ 61.1 =	7.35
14.	Sulfate	($SO_4^{=}$)	1,450	/ 48.8 =	29.71
15.	Chloride	(Cl^{-})	111,975	/ 35.5 =	3,154.23
16.	Total Dissolved Solids		183,327		
17.	Total Iron (Fe)		74	/ 18.2 =	4.07
18.	Total Hardness As $CaCO_3$		34,030		
19.	Resistivity @ 75 F. (Calculated)		0.010 /cm.		

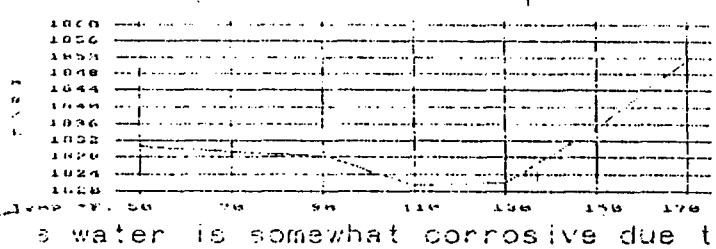
LOGARITHMIC WATER PATTERN
*meq/L.



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X *meq/L	= mg/L.
$Ca(HCO_3)_2$	81.04	7.35	596
$CaSO_4$	68.07	29.71	2,023
$CaCl_2$	55.50	385.97	21,422
$Mg(HCO_3)_2$	73.17	0.00	0
$MgSO_4$	60.19	0.00	0
$MgCl_2$	47.62	254.75	12,131
$NaHCO_3$	84.00	0.00	0
$NaSO_4$	71.03	0.00	0
NaCl	58.46	2,513.50	146,939

Calcium Sulfate Solubility Profile



*Milli Equivalents per Liter

This water is somewhat corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts in solution.

Permian Treating Chemicals

WATER ANALYSIS REPORT

SAMPLE

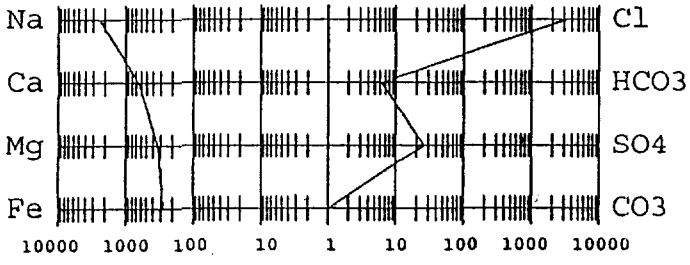
Oil Co. : Stevens & Tull
Lease : Fed. 24
Well No.: # 3
Lab No. : Abo

Sample Loc. :
Date Analyzed: 06-May-1998
Date Sampled :

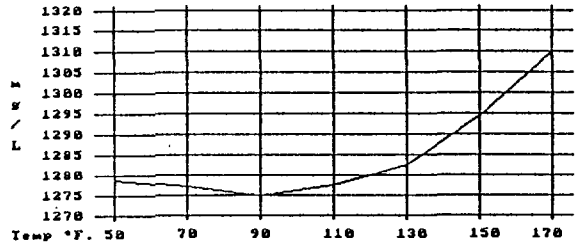
ANALYSIS

1.	pH		6.100		
2.	Specific Gravity 60/60 F.		1.128		
3.	$CaCO_3$ Saturation Index	@ 80 F.	+0.666		
		@ 140 F.	+1.836		
	Dissolved Gasses		MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide		Not Present		
5.	Carbon Dioxide		Not Determined		
6.	Dissolved Oxygen		Not Determined		
	Cations				
7.	Calcium (Ca^{++})		12,297	/ 20.1 =	611.79
8.	Magnesium (Mg^{++})		3,919	/ 12.2 =	321.23
9.	Sodium (Na^{+})	(Calculated)	53,768	/ 23.0 =	2,337.74
10.	Barium (Ba^{++})		Not Determined		
	Anions				
11.	Hydroxyl (OH^{-})		0	/ 17.0 =	0.00
12.	Carbonate ($CO_3^{=}$)		0	/ 30.0 =	0.00
13.	Bicarbonate (HCO_3^{-})		351	/ 61.1 =	5.74
14.	Sulfate ($SO_4^{=}$)		1,250	/ 48.8 =	25.61
15.	Chloride (Cl^{-})		114,974	/ 35.5 =	3,238.70
16.	Total Dissolved Solids		186,559		
17.	Total Iron (Fe)		4,900	/ 18.2 =	269.23
18.	Total Hardness As $CaCO_3$		46,842		
19.	Resistivity @ 75 F. (Calculated)		0.007 /cm.		

LOGARITHMIC WATER PATTERN
*meq/L.



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X *meq/L =	mg/L.
$Ca(HCO_3)_2$	81.04	5.74	466
$CaSO_4$	68.07	25.61	1,744
$CaCl_2$	55.50	580.43	32,214
$Mg(HCO_3)_2$	73.17	0.00	0
$MgSO_4$	60.19	0.00	0
$MgCL_2$	47.62	321.23	15,297
$NaHCO_3$	84.00	0.00	0
$NaSO_4$	71.03	0.00	0
NaCl	58.46	2,337.04	136,624

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts in solution.

Permian Treating Chemicals
WATER ANALYSIS REPORT

SAMPLE

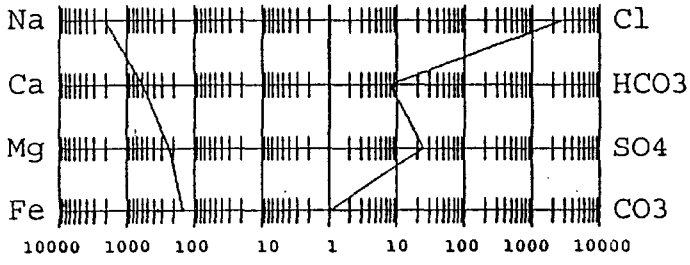
Oil Co. : Stevens & Tull
Lease : Fed. 24
Well No.: # 4
Lab No. : Abo

Sample Loc. :
Date Analyzed: 06-May-1998
Date Sampled :

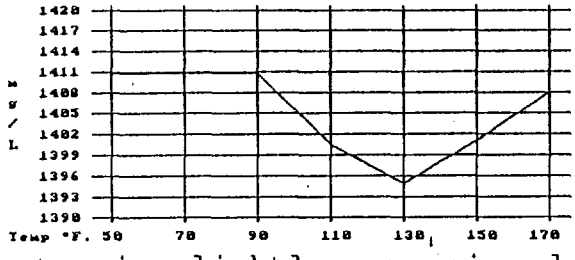
ANALYSIS

1.	pH		6.080		
2.	Specific Gravity 60/60 F.		1.118		
3.	$CaCO_3$ Saturation Index	@ 80 F.	+0.527		
		@ 140 F.	+1.487		
	Dissolved Gasses		MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide		Not Present		
5.	Carbon Dioxide		Not Determined		
6.	Dissolved Oxygen		Not Determined		
	Cations				
7.	Calcium	(Ca^{++})	11,463	/ 20.1 =	570.30
8.	Magnesium	(Mg^{++})	2,718	/ 12.2 =	222.79
9.	Sodium	(Na^{+}) (Calculated)	47,289	/ 23.0 =	2,056.04
10.	Barium	(Ba^{++})	Not Determined		
	Anions				
11.	Hydroxyl	(OH^{-})	0	/ 17.0 =	0.00
12.	Carbonate	($CO_3^{=}$)	0	/ 30.0 =	0.00
13.	Bicarbonate	(HCO_3^{-})	464	/ 61.1 =	7.59
14.	Sulfate	($SO_4^{=}$)	1,200	/ 48.8 =	24.59
15.	Chloride	(Cl^{-})	99,977	/ 35.5 =	2,816.25
16.	Total Dissolved Solids		163,111		
17.	Total Iron (Fe)		2,600	/ 18.2 =	142.86
18.	Total Hardness As $CaCO_3$		39,816		
19.	Resistivity @ 75 F. (Calculated)		0.026 /cm.		

LOGARITHMIC WATER PATTERN
*meq/L.



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X *meq/L =	mg/L.
$Ca(HCO_3)_2$	81.04	7.59	615
$CaSO_4$	68.07	24.59	1,674
$CaCl_2$	55.50	538.11	29,865
$Mg(HCO_3)_2$	73.17	0.00	0
$MgSO_4$	60.19	0.00	0
$MgCL_2$	47.62	222.79	10,609
$NaHCO_3$	84.00	0.00	0
$NaSO_4$	71.03	0.00	0
NaCl	58.46	2,055.35	120,156

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts in solution.

Permian Treating Chemicals

WATER ANALYSIS REPORT

SAMPLE

Oil Co. : Stevens & Tull
Lease : Federal 24
Well No.: # 5
Lab No. :

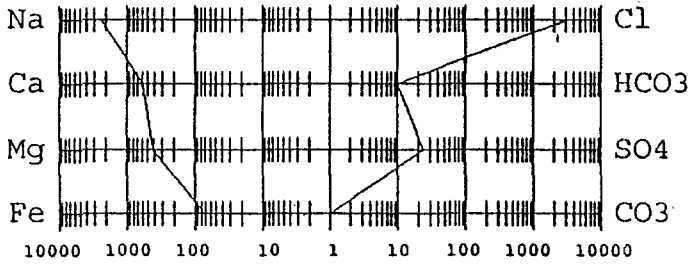
Sample Loc. :
Date Analyzed: 05-May-1998
Date Sampled :

Abo

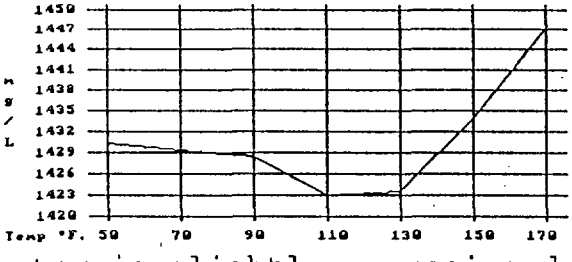
ANALYSIS

1.	pH		6.130		
2.	Specific Gravity 60/60 F.		1.123		
3.	$CaCO_3$ Saturation Index @ 80 F.		+0.872		
	@ 140 F.		+2.042		
	Dissolved Gasses		MG/L	EQ. WT.	*MEQ/L
4.	Hydrogen Sulfide		Not Present		
5.	Carbon Dioxide		Not Determined		
6.	Dissolved Oxygen		Not Determined		
	Cations				
7.	Calcium	(Ca^{++})	11,150	/ 20.1 =	554.73
8.	Magnesium	(Mg^{++})	4,867	/ 12.2 =	398.93
9.	Sodium	(Na^{+}) (Calculated)	52,681	/ 23.0 =	2,290.48
10.	Barium	(Ba^{++})	Not Determined		
	Anions				
11.	Hydroxyl	(OH^{-})	0	/ 17.0 =	0.00
12.	Carbonate	($CO_3^{=}$)	0	/ 30.0 =	0.00
13.	Bicarbonate	(HCO_3^{-})	581	/ 61.1 =	9.51
14.	Sulfate	($SO_4^{=}$)	1,150	/ 48.8 =	23.57
15.	Chloride	(Cl^{-})	113,974	/ 35.5 =	3,210.54
16.	Total Dissolved Solids		184,403		
17.	Total Iron (Fe)		1,281	/ 18.2 =	70.38
18.	Total Hardness As $CaCO_3$		47,883		
19.	Resistivity @ 75 F. (Calculated)		0.008 /cm.		

LOGARITHMIC WATER PATTERN
*meq/L.



Calcium Sulfate Solubility Profile



PROBABLE MINERAL COMPOSITION

COMPOUND	EQ. WT.	X *meq/L =	mg/L.
$Ca(HCO_3)_2$	81.04	9.51	771
$CaSO_4$	68.07	23.57	1,604
$CaCl_2$	55.50	521.65	28,952
$Mg(HCO_3)_2$	73.17	0.00	0
$MgSO_4$	60.19	0.00	0
$MgCL_2$	47.62	398.93	18,997
$NaHCO_3$	84.00	0.00	0
$NaSO_4$	71.03	0.00	0
NaCl	58.46	2,289.95	133,870

*Milli Equivalents per Liter

This water is slightly corrosive due to the pH observed on analysis.
The corrosivity is increased by the content of mineral salts in solution.

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER SWD-726

APPLICATION OF FALCON CREEK RESOURCES, INC. FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Falcon Creek Resources, Inc. made application to the New Mexico Oil Conservation Division on September 14, 1998, for permission to complete for salt water disposal its NMF State Well No.1 located 660 feet from the North line and 660 feet from the West line (Unit D) of Section 36, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

(1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;

(2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;

(3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and

(4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, Falcon Creek Resources, Inc. is hereby authorized to complete its NMF State Well No.1 located 660 feet from the North line and 660 feet from the West line (Unit D) of Section 36, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Glorieta formation at approximately 5,570 feet to 5,670 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 5,500 feet.

IT IS FURTHER ORDERED THAT:

Prior to commencing injection operations into the well, the operator shall perform cement squeeze on existing perforation from approximately 4,281 feet to 4,355 feet and set a cast iron bridge plug at approximately 5,900 feet.

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 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.

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 1116 psi.

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 Glorieta formation. 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 supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office 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 is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-115 in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

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 13th day of October, 1998.

LORI WROTENBERY, Director

LW/BES/kv

xc: Oil Conservation Division - Hobbs
State Land Office - Oil & Gas Division