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ADMINISTRATIVE ORDER



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor BETTY RIVERA Cabinet Secretary

Administrative Order No. GIW-15

Lori Wrotenbery Director Oil Conservation Division

THE APPLICATION OF AMERICULTURE, INC. FOR ONE GEOTHERMAL INJECTION WELL, HIDALGO COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 503 of the New Mexico Oil Conservation Division Rules and Regulations, Geothermal Resources, AmeriCulture, Inc. made application on April 11, 2002 for authority to complete for injection purposes into a geothermal reservoir its AmeriCulture, Inc. Well No. 3 located in Unit G, Section 6, Township 25 South, Range 19 West, NMPM, Hidalgo County, New Mexico.

THE DIRECTOR FINDS THAT:

(1) The application has been duly filed pursuant to the provisions of the Geothermal Resources Rules and Regulations.

(2) That all offsetting owners of geothermal leases within a one-half mile radius of the proposed injection well have been notified by Certified Mail.

(3) All the requirements of Rule 503 have been complied with.

(4) The proposed injection well is in the interest of conservation and will prevent waste and protect correlative rights and that the subject well is cased and cemented and shall be equipped in such a manner as to prevent danger to natural resources including geothermal resources, underground water supplies and surface resources.

(5) The proposed geothermal injection well should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The applicant herein, AmeriCulture, Inc., is hereby authorized to complete its AmeriCulture, Inc. Well No. 3 located in Unit G, Section 6, Township 25 South, Range 19 West, NMPM, Hidalgo County, New Mexico, in such a manner as to permit the injection of fluids into the Gila Conglomerate through a perforated interval located from 150 feet to 300 feet.

(2) Injection shall be through tubing and surface injection pressure shall not exceed 20 psi.

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(3) Monthly injection for the above-described well shall be filed with the Division in accordance with Rule 210 of the Geothermal Resources Rules and Regulations.

(4) The applicant will obtain and file with the Division's District Office a water analysis of the proposed injection zone prior to any injection of fluids.

(5) Surveillance of the above-described well shall be conducted as required by Rule 505 of the Geothermal Rules and Regulations to ensure that all injected fluids are being confined to the intended zone of injection.

IT IS FURTHER ORDERED THAT:

Jurisdiction of this cause is hereby retained by the Division for such further order or orders as may been deemed necessary or convenient for the prevention of waste and/or the protection of correlative rights, and for the protection of natural resources and the environment. Upon failure of the applicant to comply with any requirement of this order, the Division may terminate the authority hereby granted.

APPROVED AT Santa Fe, New Mexico on this 17th day of June, 2002.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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LORI WROTENBERY Director

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