SUBJECT: SALT WATER DISPOSAL WELL

THE APPLICATION OF R & O WELDING AND CONSTRUCTION, INC. FOR A SALT WATER DISPOSAL WELL.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701 (C), R & O Welding and Construction, Inc. made application to the New Mexico Oil Conservation Division on September 26, 1980, for permission to complete for salt water disposal its Llano A Federal Well No. 1 located in Unit E of Section 8, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

The Division Director finds:

- (1) That application has been duly filed under the provisions of Rule 701 (C) of the Division Rules and Regulations;
- (2) That satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (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 as prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, R & O Welding and Construction, Inc., is hereby authorized to complete its Llano A Federal No. 1 located in UnitE of Section 8, Township 19 South, Range 32 East, in such a manner as to permit the injection of salt water for disposal purposes into the Delaware formation at approximately 5320 feet to approximately 5850 feet through 2 3/8" inch plastic lined tubing set in a packer located at approximately 3830 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 injection pressure shall not exceed 1065 pounds per square inch as measured at the surface.

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

That the operator shall immediately notify the Supervisor of the Division Hobbs 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 Division 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 Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 704 and 1120 of the Commission Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 29th day of September, 1980.

STATE OF NEW MEXICO BIL CONSERVATION BIVISION

JOE D. RAMEY

Division Director

SEAL