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IT IS THEREFORE ORDERED: SWD-167

That the applicant herein, Yates Petroleum Corporation, is hereby authorized to complete its City of Artesia CG Well No. 2 located in Unit H of Section 23, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the San Andres formation at approximately 1311 feet to approximately 1464 feet through 2 3/8 inch fiberglass tubing set in a packer located at approximately 1250 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 or other approved device at the surface to facilitate detection of leakage in the casing, tubing, or packer.

That the injection well shall be equipped in such a manner that well head pressure may not exceed 700 pounds per square inch.

That the operator shall notify the supervisor of the Commission's Artesia District Office before injection is commenced through said well.

That the operator shall immediately notify the supervisor of the Commission's Artesia 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.

That this order supersedes Order No. SWD-158 and that City of Artesia CG Well No. 2 hereby replaces City of Artesia CG Well No. 1 for salt water disposal purposes.

PROVIDED FURTHER:

That jurisdiction of this cause is hereby retained by the Commission 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 Commission may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operation in accordance with Rule 704 and 1120 of the Commission Rules and Regulations.

APPROVED at Santa Fe, New Mexico, on this 16th day of May, 1975.