17, all in Township 18 South, Range 29 East, NMPM, Eddy County New Mexico.

(6) That the applicant should consult with the supervisor of the Division's district office at Artesia to develop an acceptable plan for repairing or replugging such wells or for monitoring for determination of fluid movement from the injected interval in order to protect neighboring properties and to protect other oil or gas zones or fresh water.

(7) That the operator should otherwise 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 from injection, production, or plugged and abandoned wells.

(8) That the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 1550 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(9) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to expand its Ballard GSA Unit Waterflood Project by the completion for injection or conversion to water injection of ten wells in Township 18 South, Range 29 East, NMPM, Loco Hills Pool, Eddy County, New Mexico as set out below:

WELL NO.	APPROXIMATE LOCATION	SECTION
23-4	330' FSL & 1980' FWL	5
6-17	660' FSL & 3300' FEL	6
6-18	660' FSL & 660' FEL	6
1-7	2310' FNL & 1600' FWL	7
3-1	1980' FNL & 660' FEL	7
4-1	330' FSL & 990' FEL	7
19-3	1650' FSL & 2310' FEL	7
14-7	400' FSL & 2000' FWL	8
15-8	2310' FNL & 1980' FWL	8
16-1	2310' FNL & 1980' FWL	17

(2) That injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) That the operator shall, prior to injection into nearby wells, consult with the district supervisor of the Division's district office at Artesia to develop an acceptable plan for repairing, replugging, and/or monitoring for out-of-zone fluid movement for the five wells identified in Finding No. (5) of this order.

(5) That the injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 1550 psi, provided however, the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

(6) That the subject waterflood project is hereby and shall continue to be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L