-3-Case No. 8738 Order No. R-8079

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be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 7923 feet, with injection into the perforated interval from approximately 8023 feet to 8136 feet;

PROVIDED HOWEVER THAT, the 5 1/2-inch casing string to be tied-back into the original 4 1/2-inch production string at approximately 7995 feet shall be adequately cemented to specifications set by the supervisor of the Division's Artesia district office;

PROVIDED HOWEVER THAT, said tubing shall be plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

PROVIDED FURTHER THAT, prior to commencing injection operations, the casing in the subject well shall be pressure-tested to assure the integrity of such casing in a manner that is satisfactory to the supervisor of the Division's district office at Artesia.

(2) The injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1600 psi.

(3) 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 Cisco and Canyon formations.

(4) The operator shall notify the supervisor of the Artesia district office of the Division in advance of the date and time of the installation of disposal equipment and of the mechancial integrity pressure test in order that the same may be witnessed.

(5) The operator shall immediately notify the supervisor of the Division'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 and necessary to correct such failure or leakage.

(6) The applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.