

(5) The applicant proposes to recomplete the subject well by tying back into the 4 1/2-inch casing with an overshot on a 5 1/2-inch casing which casing string should be adequately cemented to specifications set by the Supervisor of the Artesia District Office; the injection should be accomplished through 2 7/8-inch plastic lined tubing installed in a packer set at approximately 7923 feet; the casing-tubing annulus should be filled with an inert fluid; and a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(6) Prior to commencing injection operations, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(7) The injection well or system should 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.

(8) The Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Cisco formation.

(9) The operator should give advance notification to the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

(10) The operator should 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.

(11) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Chama Petroleum Company, is hereby authorized to re-enter and utilize the Samedan Oil Corporation Fanning Com Well No. 1, located 1980 feet from the South and West lines (Unit K) of Section 4, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the Cisco and Canyon formations, injection to