

Order R-3916 2-3-70

(2) That the applicant is hereby authorized to utilize the Springs SWD Well No. 1, located in Unit F of Section 3, Township 21 South, Range 25 East, NMPM, Springs-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, to dispose of produced salt water into the Upper Pennsylvanian formation, provided disposal is to be in one of the following manners:

- (a) Disposal is through plastic-lined tubing set in a packer in casing, and said casing is set in the subject well at a depth sufficient to ensure that disposal will be only into the Upper Pennsylvanian formation, or
- (b) Disposal is through plastic-lined tubing set in a formation packer at a depth sufficient to ensure that disposal will be only into the Upper Pennsylvanian formation and tests adequate to determine the efficacy of the formation packer are taken upon completion and semiannually thereafter. The Artesia Office of the Commission shall be consulted as to the type of tests to be conducted and shall be notified of the time such tests are to be commenced so that they may be witnessed.

PROVIDED HOWEVER, that in (a), above, the casing-tubing annulus shall be filled with an inert fluid; that a pressure gauge shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer; and that Form C-103 setting forth the additional cementing program is submitted to the Artesia Office of the Commission.

(3) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.