CASE NO. 11403 Order No. R-10525 Page -6-

(6) The injection well or pressurization system shall be equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 1,410 psi.

(7) The Division Director shall have the authority to administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(8) Prior to commencing injection operations into the Neff Federal Well No. 3, and at a frequency of every three years thereafter, the casing shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(9) In order to verify the external mechanical integrity of the Neff Federal Well No. 3, the applicant shall, subsequent to commencing injection operations into the subject well and annually thereafter, conduct a radioactive tracer survey in accordance with a Division approved method.

(10) The operator shall give advance notification to the supervisor of the Artesia District Office of the Division of the date and time of the installation of injection equipment, of any mechanical integrity pressure tests, and of the conductance of the aforesaid radioactive tracer survey in order that the same may be witnessed.

(11) The applicant shall immediately notify the supervisor of the Artesia District Office of the Division of the failure of the tubing, casing or packer in the injection well, the leakage of water or oil from or 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 steps as may be timely and necessary to correct such failure or leakage.

(12) The subject pilot pressure maintenance project is hereby designated the Neff Federal Pilot Pressure Maintenance Project, and the applicant shall conduct injection operations in accordance with Division Rule Nos. 701 through 708 and shall submit monthly progress reports in accordance with Division Rule Nos. 706 and 1115.

(13) The oil allowable for the Neff Federal Pilot Pressure Maintenance Project is hereby established at 561 barrels of oil per day.

(14) The injection authority granted herein for the Neff Federal Well No. 3 shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.