

Delaware Pool through its Pure Gold "B" Federal Well No. 20 located 1260 feet from the South line and 250 feet from the East line (Unit P) of Section 20, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico:

<u>Federal Lease Name & Number</u>	<u>Lease Description</u>
Pure Gold "B" Federal (NM 38463)	SE/4 of Section 20
Pure Gold "A" Federal (NM 38464)	W/2 SW/4 of Section 21
Pure Gold "D" Federal (NM 40859)	NW/4 NW/4 of Section 28
Mobil Federal (NM 0281482-A)	NE/4 NE/4 of Section 29

(All in Township 23 South, Range 31 East, NMPM.)

(2) The applicant shall take all steps necessary to ensure that the injected fluid 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.

(3) The injection of water into the Pure Gold "B" Federal Well No. 20 shall be accomplished through 2-7/8 inch internally plastic-lined tubing installed in a packer set at approximately 7,645 feet. The casing-tubing annulus shall be filled with an inert fluid and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(4) Prior to commencing injection operations into the Pure Gold "B" Federal Well No. 20, the casing shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of the casing.

(5) To assure that fluids do not migrate out of the injection zone through the Pure Gold "A" Federal Well No. 1, the operator shall:

- (a) monitor on a monthly basis the production volumes of gas, oil and water in the Pure Gold "A" Federal Well No. 3;
- (b) using 0 to 1,000 psi gauges, observe and record on a monthly basis the pressures on the annuli between the intermediate and production casings and between the production casing and tubing in the Pure Gold "A" Federal Well No. 1; and
- (c) report the results to the Division's Artesia District Office by the 15th of the month following the end of each calendar quarter.

(6) The injection well or pressurization system shall be equipped with a pressure control device or acceptable substitute that will limit the surface injection pressure to no