

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

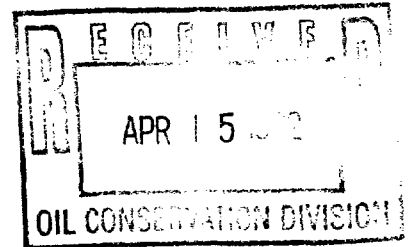
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
TELECOPIER (505) 983-6043

April 15, 1992

HAND-DELIVERED

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87501



Re: Oil Conservation Division Cases 10465 and 10466:
Applications of Marbob Energy Corporation for Salt Water Disposal, Eddy
County, New Mexico

Dear Mr. Stogner:

Enclosed are two copies of the recent water analysis performed by UNICHEM on the proposed disposal water to be injected into the Abo formation in the above-referenced cases. These analysis supplement the OCD Form C-108 for each of the subject disposal wells which were previously filed with the Division.

Very truly yours,

WILLIAM F. CARR
WFC:mlh
Enclosures

UNICHEM INTERNATIONAL
P.O. BOX 1499 707 NORTH LEECH STREET
HOBBS, NEW MEXICO 88240

Marbob Energy Corp.
Drawer 217
Artesia, NM 89210

Report Date: March 31, 1992
Lab In Date: February 5, 1992
Sample Date: February 5, 1992

Dear Robert Chase

Listed below please find our water analysis report from Foster Eddy, Battery :

Specific Gravity: 1.132
Total Dissolved Solids: 185436
PH: 7.50
Ionic Strength: 3.298

CATIONS:

mg/liter
Calcium: (Ca++) 3200
Magnesium: (Mg++) 340
Sodium: (Na+) 68544
Iron (Total) (Fe++) 2.00
Barium (Ba++) 2.30
Manganese: (Mn++) .02
Resitivity:

ANIONS:

Bicarbonate: (HCO3-) 663
Carbonate: (CO3--) 0
Hydroxide: (OH-) 0
Sulfate: (SO4--) 2669
Chloride: (Cl-) 110000

GASES:

Carbon Dioxide: (CO2) *****
Oxygen: (O2) *****
Hydrogen Sulfide: (H2S) *****

SCALE INDEX (Positive Value Indicates Scale Tendency) * indicates tests were not run.

Temperature	CaCO3 SI	CaSO4 SI
86F 30.0C	1.62	-14.54
104F 40.0C	1.85	-14.21
122F 50.0C	2.16	-13.88
140F 60.0C	2.47	-13.72
168F 70.0C	2.82	-13.88
176F 80.0C	3.22	-14.21

If you have any questions or require further information, please contact us.

Sincerely,

Sharon Wright
Laboratory Technician

cc: John Bedingfield
Marc Mitchell
Johnny Gray Jr.

cc: Joe Hay
Bill Polk

UNICHEM INTERNATIONAL
P.O. BOX 1499 707 NORTH LEECH STREET
HOBBS, NEW MEXICO 88240

Marbob Energy Corp.
Drawer 217
Artesia, NM 88210

Report Date: March 31, 1992
Lab In Date: February 5, 1992
Sample Date: February 5, 1992

Dear Robert Chase

Listed below please find our water analysis report from Fren, Battery :

Specific Gravity: 1.035
Total Dissolved Solids: 48952
PH: 7.30
Ionic Strength: 1.021

=====

CATIONS:		mg/liter
Calcium:	(Ca++)	2000
Magnesium:	(Mg++)	2187
Sodium:	(Na+)	13117
Iron (Total)	(Fe++)	278.00
Barium	(Ba++)	2.50
Manganese:	(Mn++)	.38
Restivity:		

=====

ANIONS:		
Bicarbonate:	(HCO3-)	1757
Carbonate:	(CO3--)	0
Hydroxide:	(OH-)	0
Sulfate:	(SO4--)	2891
Chloride:	(Cl-)	27000

=====

GASES:

Carbon Dioxide:	(CO2)	*****
Oxygen:	(O2)	*****
Hydrogen Sulfide:	(H2S)	*****

=====

SCALE INDEX (Positive Value Indicates Scale Tendency) * indicates tests were not run.

Temperature		CaCO3 SI	CaSO4 SI
86F	30.0C	1.14	-8.04
104F	40.0C	1.36	-8.00
122F	50.0C	1.62	-7.54
140F	60.0C	1.96	-7.04
168F	70.0C	2.30	-6.11
176F	80.0C	2.66	-3.81

If you have any questions or require further information, please contact us.

Sincerely,

Sharon Wright
Laboratory Technician

cc: John Bedinfield
Marc Mitchell
Johnny Gray Jr.

cc: Joe Hay
Bill Polk



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 7, 1992

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10465 and CASE NO. 10466
ORDER NO. R-9666

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

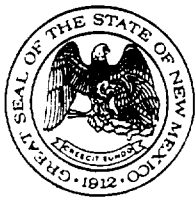
Sincerely,

A handwritten signature in cursive script that reads "Florene".

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM Carlsbad Office



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 29, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Marbob Energy Corporation
P.O. Box 217
Artesia, NM 88211-0217

Attention: Raye Miller

RE: Turner "B" Well Nos. 65 and 69. Sections 20 and 29, Township 17 South, Range 31 East, NMPM, Cedar Lake-Abo Pool, Eddy County, New Mexico. Division Order No. R-9666.

Dear Mr. Miller:

Reference is made to your letter dated April 5, 1993 requesting a time extension to convert said wells into salt water disposal wells. Pursuant to the provisions of Decretory Paragraph No. (9) of Division Order No. R-9666, issued in Case No. 10465 and 10466 and dated May 6, 1992, Marbob Energy Corporation as applicant in both cases is hereby granted a one-time three-year extension to said Order No. R-9666.

Injection authority for each of the two subject wells shall terminate automatically on May 6, 1996 if the operator has not commenced injection operations into the affected well.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Carlsbad
File: Case No. 10465
Case No. 10466
David R. Catanach - OCD, Santa Fe



OIL CONSERVATION DIVISION
RECEIVED

'93 APR 7 AM 8 55

April 5, 1993

Mr. William J. LeMay, Director
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Order No. R-9666

Dear Mr. LeMay:

Marbob Energy Corporation respectfully request that the time limit of Order No. R-9666 be extended for an additional three year period to a date of May 6, 1996. This request is made since during our review of these wells for the hearing, we discovered that there might be some additional reserves that could be productive in the upper part of the formation. These wells have both been returned to production. I have enclosed a copy of both Sundries filed on the wells and a copy of the C-115 production report for February, 1993. Since currently there appear to be additional productive hydrocarbon reserves, we would request the extension in time to allow for conversion to saltwater disposal.

If you have any questions regarding this matter, please contact me. Thank you for your help.

Sincerely,

Raye Miller

Raye Miller
Land Department

RM/mm
Enclosures

WELL NAME (UNDERLINE) INJECTION TOTAL LIQUIDS PROD DISPOSITION OF GAS DISPOSITION OF OIL

EASE NAME ACTL BLS GAS OIL ON BLS
PI# WELL SEC-TWN-RNG WELL INJECT. BBLs WATER PROD DAYS SOLD TRN OTHER CDE (BEG) TRANS TRN OTHER CDE (END)
NO UNIT STS VOL PRES PROD (MCF) PROD PROD

SECTION 1 - OIL (CONTINUED)

EDAR LAKE ABO RESERVOIR (CONTINUED)

URNER B
00150529900 #55 N 20 175 31E P 532 4732 4039 28
00150545300 #59 B 29 175 31E P 765 2072 6697 28
1297 6804 10736 10736 CON 0 17 1169 NRC 0 145
1297 6804 10736 10736 CON 0 17 1169 NRC 0 145
1297 6804 10736 10736 CON 0 17 1169 NRC 0 145

HISUM DEVONIAN RESERVOIR

TATE CF
00050027600 #4 J 13 115 27E P 345 17923 0 28
00056288800 #7 J 13 115 27E P 2930 23898 0 28
3275 41821 0 0 483 3227 AMO 0 531
3275 41821 0 0 483 3227 AMO 0 531
3275 41821 0 0 483 3227 AMO 0 531

HISUM SAN ANDRES RESERVOIR

TATE CF 9
00050027600 #8 J 13 115 27E P 57 0 0 28 0 57 0 0 114
57 0 0 28 0 57 0 0 114
57 0 0 28 0 57 0 0 114

TATUS CODE "OTHER" GAS DISPOSITION CODE "OTHER" OIL DISPOSITION CODE I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS
.....FLOWING X.....USED OFF LEASE C.....CIRCULATING OIL TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE

.....PUMPING D.....USED FOR DRILLING L.....LOST S.....SEDIMENTATION (BS&M) 8HONDA S. NELSON 505-748-3303
.....GAS LIFT G.....GAS LIFT L.....LOST E.....EXPLANATION ATTACHED
.....SHUT IN L.....LOST (MCF ESTIMATED) E.....EXPLANATION ATTACHED
.....TEMP ABANDONED R.....REPRESSURING OR PRESSURE MAINTENANCE
.....INJECTION R.....REPRESSURING OR PRESSURE MAINTENANCE
.....DISCONTINUED V.....VENTED U.....USED ON LEASE S.....SHRINKAGE

PRODUCTION CLERK
RHONDA S. NELSON
3/24/93
(DATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 08 1993

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other TA

2. Name of Operator

Marbob Energy Corporation

3. Address and Telephone No.

P. O. Drawer 217, Artesia, NM 88210 505-748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

330 FSL 1980 FWL, Unit N
Sec. 20-T17S-R31E

5. Lease Designation and Serial No.

LC-029395(B)

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Turner B #65

9. API Well No.

30-015-05299

10. Field and Pool, or Exploratory Area

Cedar Lake Abo

11. County or Parish, State

Eddy

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Perf upper Abo

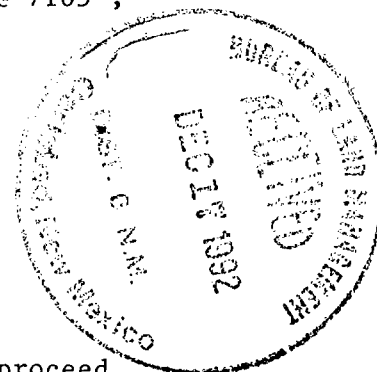
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Marbob Energy Corporation proposes the following work:

RIH w/drill collars & bit, drl out CIBP @ 6963', set CIBP @ 7105',
perf from 6891-7048' & acd, put well on production.



Johnny Gray received verbal approval from Shannon Shaw to proceed
with work 12/16/92.

14. I hereby certify that the foregoing is true and correct

Signed

Title Production Clerk

Date 12/16/92

(This space for Federal or State office use)

Approved by
Conditions of approval, if any:

PETROLEUM ENGINEER

Date 1-6-93

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Marbob Energy Corporation

3. Address and Telephone No.

P. O. Drawer 217, Artesia, NM 88210

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

380 FNL 2310 FEL, Unit B, Sec. 29-T17S-R31E

5. Lease Designation and Serial No.

LC-029395B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Turner B #69

9. API Well No.

30-015-05453

10. Field and Pool, or Exploratory Area

Cedar Lake Abo

11. County or Parish, State

Eddy, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

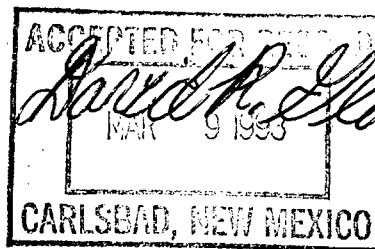
☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Return well to prod.

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Drilled out CIBP @ 6975', CO to PBTD 7090', tstd perfs and returned well to production.



RECEIVED
MAR 1 8 56 AM '93
CARLSBAD AREA HEADQUARTERS

14. I hereby certify that the foregoing is true and correct

Signed

Thonda Nelson

Title Production Clerk

Date 2/26/93

(This space for Federal or State office use)

PETROLEUM ENGINEER

Approved by

Conditions of approval, if any:

Title

Date

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF MARBOB ENERGY CORPORATION
FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO

Case No. 10465

APPLICATION OF MARBOB ENERGY CORPORATION
FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO

Case No. 10466

Order No. R-9666

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 16, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 6th day of May, 1992, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing both Case Nos. 10465 and 10466 were consolidated for the purpose of testimony, and inasmuch as the subject for both cases involves the same area and both are dependent on the other, one order should therefore be issued in this matter.

(3) In Case No. 10465 the applicant, Marbob Energy Corporation, seeks authority to dispose of produced salt water into the Cedar Lake-Abo Pool through the perforated interval from approximately 6890 feet to 7480 feet in its Turner "B" Well No. 65 located 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 20, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(4) Similarly in Case No. 10466, the applicant, Marbob Energy Corporation, seeks authority to dispose of produced salt water into the Cedar Lake-Abo Pool through the perforated interval from approximately 6890 feet to 7230 feet in its Turner "B" Well No. 69 located 380 feet from the North line and 2310 feet from the East line (Unit B) of Section 29, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(5) Both wells were drilled by Sinclair Oil and Gas Company in 1960 and completed and produced from the Cedar Lake-Abo Pool until 1971 when both wells were deemed uneconomical due to water encroachment and have since been carried as temporary abandonments.

(6) The Cedar Lake-Abo Pool is a small barrier type reef trending east-west. In 1963 a total of fourteen wells were producing from the pool, the driving mechanism for the pool was solution gas; however, due to water influx, the pool is virtually depleted at this time.

(7) Currently only one well is producing from the Cedar Lake-Abo Pool, that being the applicant's Fren Oil Company Well No. 19 located in Unit I of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(8) There is presently an active salt water disposal well in Unit C of said Section 29; Marbob's Turner "B" Well No. 73, which is injecting Grayburg and San Andres produced waters into the Abo formation under authority of the Division by Order No. R-3378, dated February 12, 1968.

(9) The evidence presented indicates that the portion of the Cedar Lake-Abo Pool in Sections 20 and 29 can receive injected salt waters for disposal purposes without harm to any remaining hydrocarbon production from said pool.

(10) All operators of disposal wells are obligated to 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 via surrounding injection, production, and/or plugged and abandoned wells.

(11) The following described previously plugged and abandoned wells are located within the one-half mile "area of review" for the two proposed disposal wells:

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Case No. 10466
Order No. R-9666
Page No. 3

<i>Well Name and Number</i>	<i>Footage Location</i>	<i>P & A Date</i>
Atlantic Richfield Company Turner "B" Well No. 58	1650' FNL - 660' FWL (Unit E)	October, 1971
Sinclair Oil & Gas Company Turner "B" Well No. 75	330' FNL - 660' FWL (Unit D)	January, 1961
both in Section 29, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.		

(12) Prior to commencement of injection into both the Turner "B" Well Nos. 65 and 69, the operator should demonstrate that the wells described in Finding Paragraph No. (11) above have either been re-plugged or have been previously plugged and abandoned in such a manner as to ensure that they do not provide an avenue of escape for fluid from the proposed injection zone and in accordance with a program that is satisfactory to the supervisor of the Division's Artesia District Office.

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

(14) Injection into said wells should be accomplished through 2 3/8-inch plastic lined tubing installed in a packer set at approximately 6800 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.

(15) The injection wells or pressurization 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 140 psi.

(16) 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 Abo formation.

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Case No. 10466
Order No. R-9666
Page No. 4

(17) 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 injection equipment, of the mechanical integrity pressure tests, and of the conductance of any remedial cement and/or plugging operations in order that the same may be witnessed.

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

(19) The injection authority granted herein should terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

IT IS THEREFORE ORDERED THAT:

(1) Marbob Energy Corporation, as applicant in both Division Case Nos. 10465 and 10466, is hereby authorized to utilize its Turner "B" Well No. 65 located 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 20, and Turner "B" Well No. 69, located 380 feet from the North line and 2310 feet from the East line (Unit B) of Section 29, both in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, to dispose of produced salt water into the Cedar Lake-Abo Pool through the following perforated intervals:

Well No. 65	6890 feet to 7480 feet
Well No. 69	6890 feet to 7230 feet.

(2) The applicant shall 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 from injection, production or plugged and abandoned wells.

IT IS FURTHER ORDERED THAT:

(3) Injection into the proposed injection wells shall be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 6800 feet; the casing/tubing annulus in each well shall be filled with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak-detection device .

Case No. 10465
Case No. 10466
Order No. R-9666
Page No. 5

(4) The injection wells or pressurization system shall be initially equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 140 psi.

PROVIDED HOWEVER THAT; injection into the Abo formation through said Turner "B" Well Nos. 65 and 69 *shall not commence* until the following described wells have either been re-plugged or have been previously plugged and abandoned in such a manner as to ensure that they do not provide an avenue of escape for fluid from the proposed injection zone and in accordance with a program that is satisfactory to the supervisor of the Division's Artesia District Office.

<i>Well Name and Number</i>	<i>Footage Location</i>	<i>P & A Date</i>
Atlantic Richfield Company Turner "B" Well No. 58	1650' FNL - 660' FWL (Unit E)	October, 1971
Sinclair Oil & Gas Company Turner "B" Well No. 75	330' FNL - 660' FWL (Unit D)	January, 1961
both in Section 29, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.		

(5) The Director of the Division may, upon proper application, authorize 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 Abo formation.

(6) 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 the mechanical integrity pressure tests, and of the conductance of any remedial cement and plugging operations in order that the same may be witnessed.

(7) 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.

(8) 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.

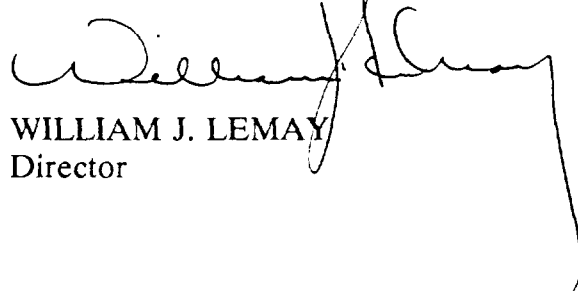
Case No. 10465
Case No. 10466
Order No. R-9666
Page No. 6

(9) The injection authority for each of the two subject wells granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the affected well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

(10) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

S E A L