

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein 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.

DONE at Santa Fe, New Mexico, on this 2nd day of October, 2001.

APPLICATION OF PALADIN ENERGY CORP FOR SALT WATER DISPOSAL IN LEA COUNTY,

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), PALADIN ENERGY CORP made application to the New Mexico Oil Conservation Division on September 5, 2001, for permission to complete for salt water disposal its Well No. (API No.) located feet from the line and feet from the line (Unit) of Section , Township , Range, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant, PALADIN ENERGY CORP be and the same is hereby authorized to complete its Well No. (API No.) located feet from the line and feet from the line (Unit) of Section , Township , Range, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Strawn formation from approximately 0 feet to 0 feet through 0 inch plastic-lined tubing set in a packer located at approximately 0 feet.