

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Sohio Petroleum Company (Standard Oil Production Company), is hereby authorized to institute a waterflood project on its Phillips Lea State Lease, Vacuum Grayburg-San Andres Pool, by the injection of water into the San Andres formation through five initial injection wells described on Exhibit "A" attached to this order.

(2) The project area shall be comprised of the following described acreage in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 31: SW/4, W/2 SE/4, E/2 NW/4,
and SW/4 NE/4

(3) The injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 0.2 psi per foot of depth from the surface to the top injection perforation, provided however, the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such higher pressure will not result in fracturing of the injection formation or confining strata.

(4) Injection into each injection well shall be through plastic- or cement-lined tubing, set in a packer which shall be located as near as practicable to the uppermost perforations; the casing-tubing annulus shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak-detection device.

(5) Prior to commencing injection operations into any of the wells shown on Exhibit "A", the applicant shall pressure-test the casing in the subject wells from the surface to the packer-setting depth to assure the integrity of said casing.

(6) Prior to commencing injection operations into any of the wells shown on Exhibit "A" which are located within one-half mile of the Malco Phillips State Well No. 1 located 330 feet from the North line and 1980 feet from the East line of Section 6, Township 18 South, Range 34 East, NMPM, the applicant shall be required to re-enter and plug said well in a manner which will ensure that said wellbore will not serve as a conduit for migration of injected fluid or in a manner satisfactory to the supervisor of the Division's Hobbs district office.