Unichen International, Inc. Administrative Order SWD-467 March 20, 1992 Page 2

b) Inject into the Wolfcamp and Devonian formations through the perforated intervals from approximately 9760 feet to 10,250 feet and 12,370 feet to 12,415 feet through 2 7/8 inch plastic lined tubing set in a packer located either at 9660 feet or 12,270 feet; Provided, however, if injection does occur into the Wolfcamp and/or Devonian formations, the applicant shall set 5 1/2 inch casing from surface to total depth in the subject well.

IT IS FURTHER ORDERED THAT:

The operator 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.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than .2 psi per foot to either the top of the open hole interval or top of the perforated interval, whichever is applicable.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the subject formations. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test, so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.