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NORTH HOBBS G/SA UNIT Well No. 431

API No. 30-025-07537-00-00

2310' FSL and 330' FEL

Unit I, Section 32, Township 18S, Range 38E, NMPM, Lea County, New Mexico

NORTH HOBBS G/SA UNIT Well No. 312

API No. 30-025-29017-00-00

210' FNL and 1400' FEL

Unit B, Section 32, Township 18S, Range 38E, NMPM, Lea County, New Mexico

"API Well No.	Injection Interval Top / Bottom (ft)		Max. Injection Pressure Water (psi) / CO2 (psi)		Tubing Size (inch)	Packer Depth (ft)	Prs Gradient (psi/ft)
30-025-07537-00-00	4100	4300	820	NA	2.875	4000	0.2
30-025-29017-00-00	4100	4300	820	NA	2.875	4000	0.2

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 wells, 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 wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluid from the San Andres formation. 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 injection equipment and of the mechanical integrity tests 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 wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject wells shall be governed by all provisions of Division Order No.(s) R-6199, as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

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