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Case No. 7424

Order No. R-6855

(5) That if injection is at pressure greater than hydrostatic pressure, the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 860 psi.

(6) That the operator should notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(7) That the operator should report to the supervisor of the Hobbs district office of the Division at the start of disposal operations the gravity and level of the inert fluid in the annulus.

(8) That the operator should 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.

(9) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Rice Engineering and Operating, Inc., is hereby authorized to utilize its Eunice-Monument Eumont SWD "G" Well No. 8, located in Unit G of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to dispose of produced salt water into the Lower San Andres formation, injection to be accomplished through 5 1/2-inch tubing with injection under an oil blanket into the perforated interval from approximately 4300 feet to 4852 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That, if injection is at greater than hydrostatic pressure, the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 860 psi.

(3) That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of

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**APR 25 1994**

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