

IT IS THEREFORE ORDERED THAT:

(1) The applicant, WJC Inc., is hereby authorized to dispose of produced salt water into the San Andres and Bone Spring formations through the open hole interval from approximately 5,000 feet to 8,360 feet in its J. G. Cox Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 13, Township 17 South, Range 38 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER THAT prior to commencing injection operations into the subject well, the applicant shall demonstrate to the supervisor of the Division's Hobbs District Office that the F & M Oil and Gas Company W. F. Cone Well No. 2 located in Unit O of Section 12, and the A.E.N. Energy Inc. V. F. Cox Well No. 1 located in Unit F of Section 13, both in Township 17 South, Range 38 East, NMPM, are cased and cemented in such a manner so as to confine the injected fluid to the proposed injection interval.

PROVIDED FURTHER THAT upon a determination by the supervisor of the Division's Hobbs District Office that such wells are not adequately cemented, the applicant, prior to commencing injection operations, shall perform remedial cement operations in a manner prescribed by the Division.

(2) Injection shall be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set at approximately 4,900 feet; the casing-tubing annulus shall be filled with an inert fluid and a pressure gauge or approved leak detection device shall be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(3) Prior to commencing injection operations, the casing in the subject well shall be pressure-tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(4) The injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the surface pressure on the injection well to no more than 1,000 psi.

(5) The Director of the Division shall be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected fluid from the San Andres and Bone Spring formations.

(6) 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, the conductance of the mechanical integrity pressure test, and the conductance of remedial cement operations in order that the same may be witnessed.

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