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Case No. 8817

Order No. H-8166

Lea County, New Mexico, to dispose of produced salt water into the Abo, Wolfcamp and Devonian formations, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 4,950 feet, with injection into the open hole interval from approximately 5,000 feet to 12,164 feet;

PROVIDED HOWEVER THAT, the tubing shall be plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and 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) The injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1000 psi.

(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) After commencing injection into the well, the operator shall run an injection tracer survey in order to determine which formations are receiving the injected fluid.

(5) Should the injection well ever cease to take water on a vacuum, the operator shall be required to run an additional injection tracer survey after notifying the supervisor of the Division's Hobbs district office of the date and time of such test.

(6) Copies of such tracer surveys shall be filed with both the Santa Fe and Hobbs offices of the Division.

(7) 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 Abo, Wolfcamp and Devonian formations.

(8) 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 date and time of the mechanical integrity test and the injection tracer survey so that the same may be inspected and witnessed.

(9) The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the