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Case No. 8398
Order No. R-7766

Unit injection wells all as shown and identified on Exhibit "B" attached hereto.

(5) Said injection wells shall be conversions of existing wells or newly drilled wells as noted on said Exhibit "B".

(6) The proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(7) The producing formations in the proposed project area are in an advanced stage of depletion and the area is suitable for waterflooding.

(8) There are five wells within or adjacent to the proposed project which may not have been completed or plugged in a manner which will assure that their wellbores will not serve as a conduit for movement of injected fluid out of the injection interval.

(9) The five possible problem wells are identified and described on Exhibit "C" attached hereto.

(10) Prior to instituting injection within one-half mile of any of the five possible "problem wells" Gulf shall first contact the Oil Conservation Division's District Supervisor at Hobbs to develop a plan acceptable to the Director of said Division for repairing or replugging such wells, for monitoring for determination of fluid movement from the injected interval, or for the drilling of replacement producing wells to lower reservoir pressure and fluid levels in order to protect neighboring properties and to protect other oil or gas zones or fresh water.

(11) The operator should otherwise 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 from injection, production, or plugged and abandoned wells.

(12) The injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 0.2 psi per foot of depth from the surface to the top injection perforation in any injection well, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

