Prior to commencing injection operations into the South Eunice Unit Well Nos. 52 and 58, the operator shall re-enter the Conoco South Eunice Well No. 51 located 660 feet from the North line and 660 feet from the West line (Unit D), of Section 33, Township 22 South, Range 36 **Read**, MPM, and plug said well in manner adquate to confine the injected fluid to the proposed injection zone or in a manner satisfactory to the supervisor of the Hobbs district office of the Division.

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, of the mechanical integrity tests and of any workover operations on said Conoco South Eunice Unit No. 51 well, 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 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. R-4068 and Rule 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 such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

DONE at Santa Fe, New Mexico, on this 10 day of December, 1987.

STATE OF NEW MEXICO OIL CONSERVATION /DIVISION WILLIAM J. LEMAY Director

SEAL