

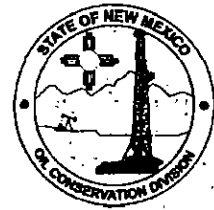
State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order WFX-968
July 7, 2017

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order R-12981, Apache Corporation (OGRID No. 873) has made application to the Division for permission to add two additional injection wells to its West Blinebry-Drinkard Unit (WBDU) Waterflood Project in the Eunice; Bli-Tu-Dr, North Pool (Pool code 22900) in Lea County, New Mexico. These wells are being proposed as an injection wells into the Unitized interval, within the Blinebry, Tubb, and Drinkard formations of the WBDU.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections remain outstanding. The proposed wells are eligible for conversion to injection under the terms of that rule. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

The proposed expansion of the above-referenced water flood project, will prevent waste, is in the best interests of conservation, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED THAT:

Apache Corporation, as operator, is hereby authorized to inject water into the following wells for the purpose of secondary recovery through plastic-lined tubing set into a packer:

API No.	Well	Unit	Sec	Twp	Rng	Footage N/S	Footage E/W	Approved Injection interval (in ft):type	Maxium Surface Injection Pressures
30-025-43529	West Blinebry Drinkard Unit No. 180	O	17	21 S	37 E	784' FSL	2061' FEL	5644' to 6700'; perforations	1120 psi
30-025-43530	West Blinebry Drinkard Unit No. 182	G	17	21 S	37 E	1834' FNL	1980' FEL	5692' to 6750'; perforations	1120 psi

The approved injection interval for these wells (Subject wells) is into the Blinebry, Tubb, and Drinkard formations from an approximate perforated depth of 5644 feet to a maximum perforated depth of 6750 feet. The approved maximum surface tubing injection pressure shall be **1120 psig or 0.2 psig per foot of depth to the uppermost perforation in the injection wells, whichever is less**, as approved in Ordering Paragraph (13) of Division Order No. R-12981 dated August 11, 2008.

The operator shall set the injection packer no more than 100 feet above the shallowest perforation for the permitted injection interval for each well in the application.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wells shall pass an initial mechanical integrity test ("MIT") prior to initially commencing injection and prior to resuming injection each time any injection packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in these wells.

The wellhead injection pressure on these wells shall be limited as listed above. In addition, the injection wells or header systems shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressures to the maximum allowable pressures for these wells.

Subject to the limitations within the hearing order permitting this project, the Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluids from the approved injection interval. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of injection equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of injection to the District I office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the District I office of any failure of the tubing, casing or packer in the approved injection wells, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take

such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

This amended order supersedes Administrative Order WFX-958, issued on August 5, 2016. This order expands the injection interval into the Blinebry and Drinkard formations, because when the Blinebry formation was cement squeezed in all of the Subject wells, the Blinebry formation was not properly cemented. As a result, the Applicant set the packer above the existing Blinebry perfs, and included that formation and corresponding depths in the application.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein. The subject wells shall be governed by all provisions of Division Order No. R-12981 and associated administrative orders.

The injection authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator received prior to the two-year deadline, may grant an extension thereof for good cause shown.



DAVID R. CATANACH
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs
Bureau of Land Management – Carlsbad
Well File – 30-025-43529
Well File – 30-025-43530
Case File 14126