

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Administrative Order IPI-292

February 15, 2008

Apache Corporation
6120 South Yale, Suite 1500
Tulsa, OK, 74136-4224

Attention: Kevin Mayes

RE: Injection Pressure Increase Request

East Blinebry Drinkard Unit Waterflood Project

Drinkard Pool (19190) and

Blinebry Oil & Gas Pool (Oil 6660)

Township 21 South, Range 37 East, NMPM, Lea County, New Mexico

The Oil Conservation Division received your request on behalf of Apache Corporation (OGRID 873) dated January 21, 2008 to increase the maximum allowed surface injection pressure on all eighteen (18) injection wells within this project, and the additional data you supplied on February 14, 2008.

The permitted maximum surface injection pressure of 1121 psi has been in effect after Division Order No. R-12394 was issued in Case No. 13503 on July 22, 2005, which order approved the first 17 wells in this project for injection. Well No. 57 was approved for injection with administrative order WFX-819 on May 15, 2006, and allowed the same injection pressure limit.

It is our understanding additional injection pressure is needed in order to accelerate fill-up of these reservoirs and therefore to improve waterflood performance. The basis for granting this pressure increase is the Step Rate Tests run in December of 2007 on 8 of the 18 existing injection wells.

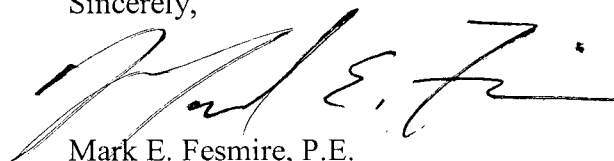
Apache Corporation is hereby authorized to utilize up to 2100 psi as the maximum surface injection pressure for all injection wells in this waterflood project, but is prohibited from injecting at pressures that would induce fracturing in individual wells.

This project currently includes the following 18 injection wells:

API	OCD Well Num	Feet	NS	Feet	EW	Unit	Sec	Inj Top	Inj Bottom	Inj Permit
30-025-06325	3	2970	S	330	W	M	1	5880	5971	R-12394
30-025-06334	56	660	S	810	W	M	1	5810	5987	R-12394
30-025-06476	13	330	N	1650	W	C	11	5943	6730	R-12394
30-025-06478	17	330	S	1980	E	O	11	5604	6650	R-12394
30-025-06479	18	660	N	330	E	A	11	5759	5852	R-12394
30-025-06481	20	1980	S	330	E	I	11	5696	6703	R-12394
30-025-06527	15	330	N	330	E	A	11	6595	6766	R-12394
30-025-06529	23	1650	N	1650	E	G	11	5724	5894	R-12394
30-025-06535	27	2310	N	330	W	E	11	6453	6570	R-12394
30-025-06536	26	1980	N	1980	E	G	11	6582	6708	R-12394
30-025-06539	30	1650	N	660	W	E	12	5740	6747	R-12394
30-025-06541	31	330	N	1980	W	C	12	5796	5996	R-12394
30-025-06546	36	1980	N	660	W	E	12	5712	5908	R-12394
30-025-06550	48	660	S	660	W	M	12	5720	5815	R-12394
30-025-06556	37	1980	N	660	W	E	13	5680	6703	R-12394
30-025-06566	53	660	N	1650	W	C	13	5702	5888	R-12394
30-025-06575	45	660	N	330	E	A	14	5741	5877	R-12394
30-025-29061	57	1650	S	1650	W	K	1	5600	6970	WFX-819

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone, is endangering fresh water aquifers, or is causing waste of oil and gas.

Sincerely,



Mark E. Fesmire, P.E.
Director

cc: Oil Conservation Division - Hobbs
File: Case 13503 (R-12394)