

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



Administrative Order PMX-271
January 24, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order R-4549, as amended, Apache Corporation (OGRID No. 873) has made application to the Division for permission to convert a production well to an injection well for its Empire-Abo Pressure Maintenance Project located within the Empire-Abo Unit (Empire; Abo Pool; Pool code: 22040) in Eddy County, New Mexico. This well is being proposed for injection of gas. This well was previously approved for gas injection under Division Order R-9984 (as Unit I No. 23) and operated as a gas injection well from March 1994 until November 1995 when the well was returned to production.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 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 well, the Empire-Abo Unit Well No. 23 C, is eligible for conversion to gas injection under the terms of that rule. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

Apache Corporation, as operator, is hereby authorized to inject **produced gas** into the following well for the purpose of pressure maintenance through plastic or fiberglass-lined tubing set into a packer:

API No.	Well No.	Lot	Sec	Twp	Rng	Footage N/S	Footage E/W	Top Perf, Feet	Bottom Perf, Feet
30-015-02625	23 C	2	6	18 S	28 E	470 FNL	2170 FEL	5782	6130

The maximum surface tubing injection pressure, as approved in Order R-9984, shall be **2000 psi**. The operator is approved to set multiple injection packers in any well so as to more effectively isolate injection intervals, provided that the top packer shall be no more than 100 feet above the top of the permitted injection interval or above the top of the Unitized Interval (the Abo formation), whichever is less.

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, all 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 in this well approved herein shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well 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 procedures and schedules shall follow the requirements in Division 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.

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

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 well 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 II 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 Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

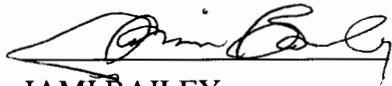
Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district II office of any failure of the tubing, casing or packer in the approved injection well, or of any leakage or release 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.

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.



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia Office
State Land Office – Oil, Gas, and Minerals Division
Case No. 10813