

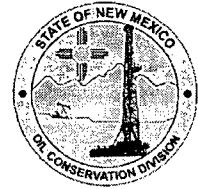
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order IPI-362-A
December 13, 2012

Ms. Fatima Vasquez
Apache Corp.
303 Veterans Airpark Lane
Suite 3000
Midland, TX 79705-9909

RE: Injection Pressure Increase
Injection Permit: R-13176-A
Blankenship Well No. 2 API: 30-025-07767
Unit L, Sec 12, T20S, R38E, NMPM, Lea County, New Mexico

Dear Ms. Vasquez:

Reference is made to your request on behalf of Apache Corp (OGRID 873) to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water injection into the Paddock, Blinbry, Tubb, and Drinkard formations by Division Order R-13176-A approved April 23, 2012. That permit allowed injection from 5946 feet to 7028 feet with a maximum disposal tubing pressure of 1198 psi.

It is our understanding that this well will not take a sufficient volume of fluid at the current pressure limit and a higher pressure limit is needed. It is also understood that an increase will not result in the fracturing of the formation and confining strata.

Based on a step rate test for this well run September 27, 2012, you are hereby authorized to inject at the following maximum surface tubing pressure:

Blankenship Well No. 2 API: 30-025-07767 1719 psi

This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. Any future requested pressure increase will require resubmission of additional data and a new step-rate test. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well. This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9 NMAC.

The Division Director may rescind this permitted injection pressure increase if it becomes apparent that the injected fluid is not being confined to the permitted disposal interval or is endangering any fresh water aquifer.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY
Director

JB/wvjj

cc: Oil Conservation Division – Hobbs District Office
Files: Case 14803 and 30-025-07767