State of New Mexico
Energy, Minerals and Natural Resources Department



Administrative Order WFX-1044
February 9, 2022

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-8541 and consideration of Division Rule 19.15.26.8(F)(5) NMAC, Apache Corporation (OGRID No. 873) has made application to the Oil Conservation Division (OCD) for permission to add one injection well to its Northeast Drinkard Unit (NEDU) in the Eunice; Blinebry-Tubb-Drinkard, North pool (Pool code 22900) in Lea County, New Mexico. The well, the **Northeast Drinkard Unit #604** (API: 30-025-06591) is being proposed for injection of produced water within the project.

THE OCD DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8(B) 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 well will be one existing oil well converted for injection, as detailed in the C-108 Application. 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 secondary recovery 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 well for the purpose of secondary recovery through internally plastic-lined, 2.375-inch diameter tubing set into a packer.

| API No. | Well | ULSTR | Footage N/S | Footage E/W | Approved Injection Interval (in ft): type[1] | Maximum Surface Injection Pressures |
|---|---|---|---|---|---|---|
| 30-025-06591 | Northeast Drinkard Unit #604 | E-S15-T21S-R37E | 2310 FNL | 990 FWL | 6420 to 6650 Perfs | 1284 |

[1]Type: perf indicated injection through perforated casing; OH is injection through open-hole.

The approved injection interval for this well is into the Drinkard formation, which is part of the Eunice; Blinebry-Tubb- Drinkard, North Pool using perforations at a depth of 6,420 to 6,650 feet.

The operator shall set the injection packer no more than 100 feet above the shallowest perforation or the open hole for the permitted injection interval for this well. The operator shall be required to submit a written request for an exception if the distance between the packer and the uppermost perforation exceeds 100 feet.

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.

Any existing well (active or plugged) approved for injection under this order, and as provided for in Order No. R-8541, shall complete the following requirements prior to the installation of the tubing and packer set.

a. Conduct a successful pressure test of the production casing following procedures provided in 19.15.16.10(I) NMAC; and

b. Obtain a new cement bond log (CBL) from surface to the top of the top perforation (or top of open hole) of the approved injection interval. A copy of the CBL shall be submitted electronically to the OCD Engineering Bureau email attached to a Form C-103.

If either the pressure test fails or the CBL demonstrates inadequate cement to protect shallow Underground Sources of Drinking Water, the operator shall be required to conduct corrective action on the well until the integrity issue is addressed and approved by the OCD.

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 testing procedures and schedules shall follow the requirements in Rule 19.15.26.11(A) NMAC. The OCD Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on this well 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 OCD Director may authorize an increase in tubing pressure upon a proper showing by the operator 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 appropriate Inspections Supervisor 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 on OCD Form C-103, submitted electronically through OCD E-Permitting and notice provided to the OCD Engineering email . The operator shall submit monthly reports of the injection operations on OCD 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 appropriate Inspections Supervisor and OCD Engineering Bureau, by email, 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 OCD approval. The OCD 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 OCD may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

PROVIDED FURTHER THAT, jurisdiction is retained by the OCD 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 OCD may, with or without notice and hearing, terminate the disposal authority granted herein. The well shall be governed by all provisions of OCD Orders No. R-8540, R-8541 (as amended) and associated administrative orders.

The injection authority granted herein shall terminate one (1) year after the effective date of this order if the operator has not commenced injection operations into the well, provided however, the OCD, upon written request by the operator received prior to the one-year deadline, may grant an extension thereof for good cause shown. Additionally, the injection authority granted in this order is subject to Rule 19.15.26.12 NMAC with regards to commencement, discontinuance, and abandonment of operations.

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.

ADRIENNE SANDOVAL
Director

OCD/KAM
cc: Well File 30-025-06591
Case 9231 and 9232