



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



## ADMINISTRATIVE ORDER WFX-845 Corrected 12/1/2008

November 20, 2008

Thomas G. Wright  
Apollo Energy, LP  
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Lake Charles, LA 70605

### ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order R-12887 dated January 18, 2008, Apollo Operating, LP (OGRID No. 248192) has made application to the Division for permission to add two water injection wells to its Russell Yates Waterflood Project located within the Russell Yates Pool (52820) in Section 13, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

#### THE DIVISION DIRECTOR FINDS THAT:

The application was filed in due form. No objections have been filed within the waiting period prescribed by Division Rule 701(C). The proposed injection wells are eligible for water injection under the terms of Rule 701.

Satisfactory information was provided to demonstrate that affected parties were provided notice of the application. No objections have been filed.

The proposed water injection wells will not cause waste nor impair correlative rights and should be approved.

#### IT IS THEREFORE ORDERED THAT:

Apollo Energy, LP ("Applicant" or "Operator") is hereby authorized to inject water into the unitized interval into the Yates formation, through plastic-lined tubing set in packers located within 100 feet of the top of the injection intervals in the following-described wells for purposes of secondary recovery:



**Russell USA Field Well No. 24 (API No. 30-015-02373)**

2322' FNL, 2333' FEL, Unit G, Sec 13, T20S, R28E, NMPM  
Permitted Injection Interval (Open Hole): 824' – 840'  
AD-1 Tension Packer set at 793'  
Maximum Surface Injection Pressure: 450 PSIG Water

**Russell USA Field Well No. 39 (API No. 30-015-02388)**

2322' FNL, 2333' FEWL, Unit K, Sec 13, T20S, R28E, NMPM  
Permitted Injection Interval (Perforations): 810' – 820'  
AD-1 Tension Packer set at 832'  
Maximum Surface Injection Pressure: 450 PSIG Water

IT IS FURTHER ORDERED THAT:

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

Injection will be into the Yates Formation for the purpose of secondary recovery. The injection fluid will be reinjected water produced from the Yates formation.

Prior to commencing injection operations into these wells, the casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection wells or injection systems shall be equipped with pressure limiting devices which will limit the wellhead pressure to the maximum surface injection pressure to no greater than .555 psi per foot of depth to the casing shoe.

The Director of the Division may authorize increases in injection pressure upon a proper showing by the operator that higher pressure will not result in migration of the injected fluid from the permitted injection interval or harmful formation fracturing. Such proper showing shall consist of valid step-rate tests and possibly injection profiles or pressure transient testing run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of injection equipment and of all mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject wells shall be governed by all provisions of Division Order No. R-12887, and Rules 702-706 of the Division Rules not inconsistent herewith.

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 water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

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

  
MARK E. FESMIRE, P.E.  
Director

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cc: Oil Conservation Division – Artesia  
Bureau of Land Management -- Carlsbad