

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, November 24, 2009 10:29 AM
To: 'amber.cooke@apachecorp.com'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Hill, Larry, EMNRD; Warnell, Terry G, EMNRD
Subject: Disposal application from Apache Corp: House SWD #1 30-075-39193 (Amend SWD-1169 to add the upper San Andres Perforations)

Hello Amber:

Sophie gave me your name for a contact concerning her pending applications while she is gone. Terry Warnell and I talked with the engineer on this project a couple weeks ago – before I had looked at this in detail. I assume you are in contact with the other people on this project.

This new well has a recent permit to dispose into the lower San Andres Open Hole from 4600 – 5700 feet called SWD-1169. Within the past month Terry processed an injection pressure increase (Order IPI-357) allowing a maximum surface injection pressure of 1720 psi.

After reviewing this application to add injection perforations in the upper San Andres:

There are numerous, nearby producing wells in this upper San Andres interval. Our current policy is to only process applications such as this at an examiner hearing where the waterflooding or correlative rights issues can be addressed – likely by a landman and reservoir engineer. In addition, there are possible cement top problems in the offsetting wells in the upper San Andres which could cause bradenhead issues and possible invasion of the Salado or other formations. The table of AOR wells submitted with the application did not have API numbers or locations of the wells listed and there were discrepancies with the data in the imaged well files – so this is another problem that would need to be addressed. If this upper San Andres interval were permitted for injection, the allowable injection pressure would be greatly reduced until adequate data could be gathered as to the fracture pressure.

It appears that the Lower San Andres and Upper Glorieta are OK in this area for disposal due to the lack of productivity and well cemented wellbores. The Upper San Andres seems to have problems.

This administrative application is being denied.

Apache does have the right to pursue this to an examiner hearing – please let me know if you do this.

Regards,

William V. Jones PE
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