

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order IPI-437
August 27, 2013

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Texas 79705-9909
Attn: Fatima Vasquez

RE: Injection Pressure Increase
Disposal Permit: SWD-1380-A
Pool: SWD; Wolfcamp and Cisco formations
Washington 34 State SWD Well No. 2 API 30-015-41009
Unit N, Sec 34, T17S, R28E, NMPM, Eddy County, New Mexico

Dear Ms. Vasquez:

Reference is made to your request on behalf of Apache Corporation (OGRID 873) received by the Division on July 29, 2013, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water disposal in the Wolfcamp and Cisco formations by Division administrative order SWD-1380-A approved May 30, 2013. That permit allowed disposal through perforations from 7401 feet to 9137 feet at a maximum surface disposal pressure of 1480 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 July 23, 2013, through 4 ½ -inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

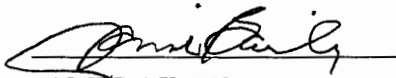
Washington 34 State SWD Well No. 2 API 30-015-41009 2050 psig

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,



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas and Minerals Division
File: SWD-1380-A