

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



Administrative Order WFX-926
July 17, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order R-8541, as amended, Apache Corporation (OGRID No. 873) has made application to the Division for permission to re-enter an injection well for its Northeast Drinkard Unit (NEDU) Waterflood Project. The well is located within the North Eunice; Blinebry-Tubb-Drinkard Oil Pool (Pool Code 22900) in Lea County, New Mexico. This well was previously authorized for injection under Administrative Order WFX-624, but is currently temporarily abandoned.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B 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 is eligible for conversion to injection under the terms of that rule. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

The proposed expansion of the above-referenced waterflood 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 plastic or fiberglass-lined tubing set into a packer:

API No.	Well	Unit	Sec	Twp	Rng	Footage N/S	Footage E/W
30-025-06735	Northeast Drinkard Unit No. 802	E	22	21S	37E	1980 FNL	660 FWL

The approved injection interval for this well is the equivalent of the **Unitized Interval**, the North Eunice Blinebry-Tubb-Drinkard Pool, as originally defined in Ordering Paragraph (1) of Division Order No. R-8541. The operator shall initiate injection into the Drinkard formation through perforations from 6500 feet to 6630 feet. The operator shall retain authority under this Order to add perforations in the approved injection interval that is equivalent to the Unitized Interval, the *“vertical limits defined from a depth of 5530 feet (2101 feet sub-sea) to a depth of*

6680 feet (3251 feet sub-sea) on a log run June 21, 1951 on the Shell Argo Well No. 8 located 660 feet from the South line and 2310 feet from the West line of Section 15, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico." The operator has also satisfied the requirement for notification of affected parties with the original application for the addition of perforations within approved injection interval, the Unitized Interval.

The operator shall set the injection packer no more than 100 feet above the uppermost perforation in the injection interval.

The approved maximum surface tubing injection pressure shall be established according to Ordering Paragraph (2) of Division Order No. R-8541 using the pressure gradient of 0.2 psi per foot of depth to the top of the proposed perforation interval. The initial maximum surface tubing injection pressure for **the perforated interval from 6500 feet to 6630 feet shall be 1300 psi.**

As part of the Form C-103 to be submitted under Division Rule 19.15.7.14A.(f) NMAC to Division's District I office for approval of changes in the perforation interval, the operator will include with this form the following information:

1. documentation (such as a correlation of proposed geophysical logs or structure contour map) that demonstrates the new perforated interval is within the Unitized Interval; and
2. the calculated maximum surface tubing injection pressure for the new perforated interval based on the pressure gradient of 0.2 psi per foot of depth.

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. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

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 procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division 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 pressures for this well.

Subject to the limitations within the hearing order permitting this project, the Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator

of said well 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 supervisor of the Division's District I office 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 to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

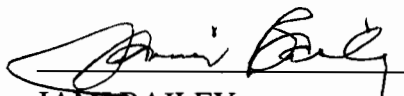
Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the approved injection well, or of any leakage or release of 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 division approval. The division 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 division may revoke this injection permit after notice and hearing if the operator is in violation of Division Rule 19.15.5.9 NMAC.

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.

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



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs District Office
Well File 30-025-06735
Case No. 9232