

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-06626
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name West Blinebry Drinkard Unit (WBDU) / 37346
8. Well Number 059
9. OGRID Number 873
10. Pool name or Wildcat Eunice; B-T-D, North (22900)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

HOBBS OCD

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Apache Corporation

3. Address of Operator
303 Veterans Airpark Lane, Suite 1000 Midland, TX 79705

4. Well Location
 Unit Letter F : 1980 feet from the North line and 3300 feet from the East line
 Section 16 Township 21S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3478' GL

MAY 02 2014

RECEIVED

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: CONVERT TO INJECTION <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Apache would like to convert this well to injection, per the attached procedure. A copy of WFX-913 is attached for reference.

Spud Date: 9/17/1947 Rig Release Date: 10/28/1947

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Reesa Fisher TITLE Sr. Staff Reg Analyst DATE 4/29/2014

Type or print name Reesa Fisher E-mail address: Reesa.Fisher@apachecorp.com PHONE: (432) 818-1062

For State Use Only
 APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 05/08/14
 Conditions of Approval (if any):

MAY 08 2014

WBDU 59 (API: 30-025-06626) Proposed Procedure

Deepen Well, Run Liner, and Convert Well to Injection in the Drinkard Formation

April 29, 2013

Day 1: MIRU SR. POOH and LD pump and rods. ND WH and NU BOPs. POOH and LD 2-7/8" production tubing.

PU and RIH w/2-7/8" work string and bit

Day 2: Cont. RIH w/ 2-7/8" work string & bit to PBTB, clean well out as necessary and circulate LCM

Day 3: Cont. to clean well out to PBTB and circulate LCM. Drill well out to +/-6755'

Day 4: Cont. to drill well out to +/-6755'. Circulate wellbore clean and POOH and LD 2-7/8" work string

Day 5: MIRU WL, run GR/CNL/CBL/CCL log from PBTB to surface, POOH. Send logs to Midland

Day 6: RU casing crew and equipment and RIH with 4-1/2" 11.6 lb/ft LTC 8 RD J-55 casing with DV tool (set at +/-5500'), float collar, and float shoe to +/- 6755'. Perform two stage cement job to surface as follows:

- a. Pump first stage consisting of 10 bbl fresh water flush, 40 bbl seal bond LCM spacer, and 195 sacks of 50:50 Fly Ash (Pozzolan):Class C cement + additives (weight 14.2 ppg, yield 1.31 cf/sack, volume 45.5 bbls, 50% excess slurry)
- b. Drop plug, displace with 105 bbl fresh water (confirm volumes) and bump plug. Drop dart, open stage tool
- c. Circulate through stage tool with fresh water until setting time for first cement stage has elapsed
- d. Pump second cement stage consisting of 20 bbl fresh water flush, lead slurry of 330 sacks 35:65 Fly Ash (Pozzolan):Class C cement + additives (weight 12.5 ppg, yield 2.13 cf/sack, 125.5 bbl), tail slurry of 100 sacks of class C cement + additives (weight 14.8 ppg, yield 1.33 cf/sack, 23.7 bbl)
- e. Drop stage tool plug, displace with 85.4 bbl fresh water (confirm volumes)

Day 7: WOC

Day 8: RIH w/ 3-3/4" bit on 2-3/8" work string. Drill out stage tool, float collar and cement to +/- 6740'. Circulate clean. POOH

Day 9: MIRU WL and RIH w/ GR/CBL/CCL, log well from TD to surface, POOH

PU and RIH w/ 3-3/8" TAGs loaded with SDP charges and perforate the Drinkard @ 4 SPF, 90 deg phasing (estimated 70', 280 shots), POOH

PU and RIH w/ treating packer on 2-3/8" work string

Day 10: Cont. RIH w/ treating packer on 2-3/8" work string. Set packer @ +/-6500'

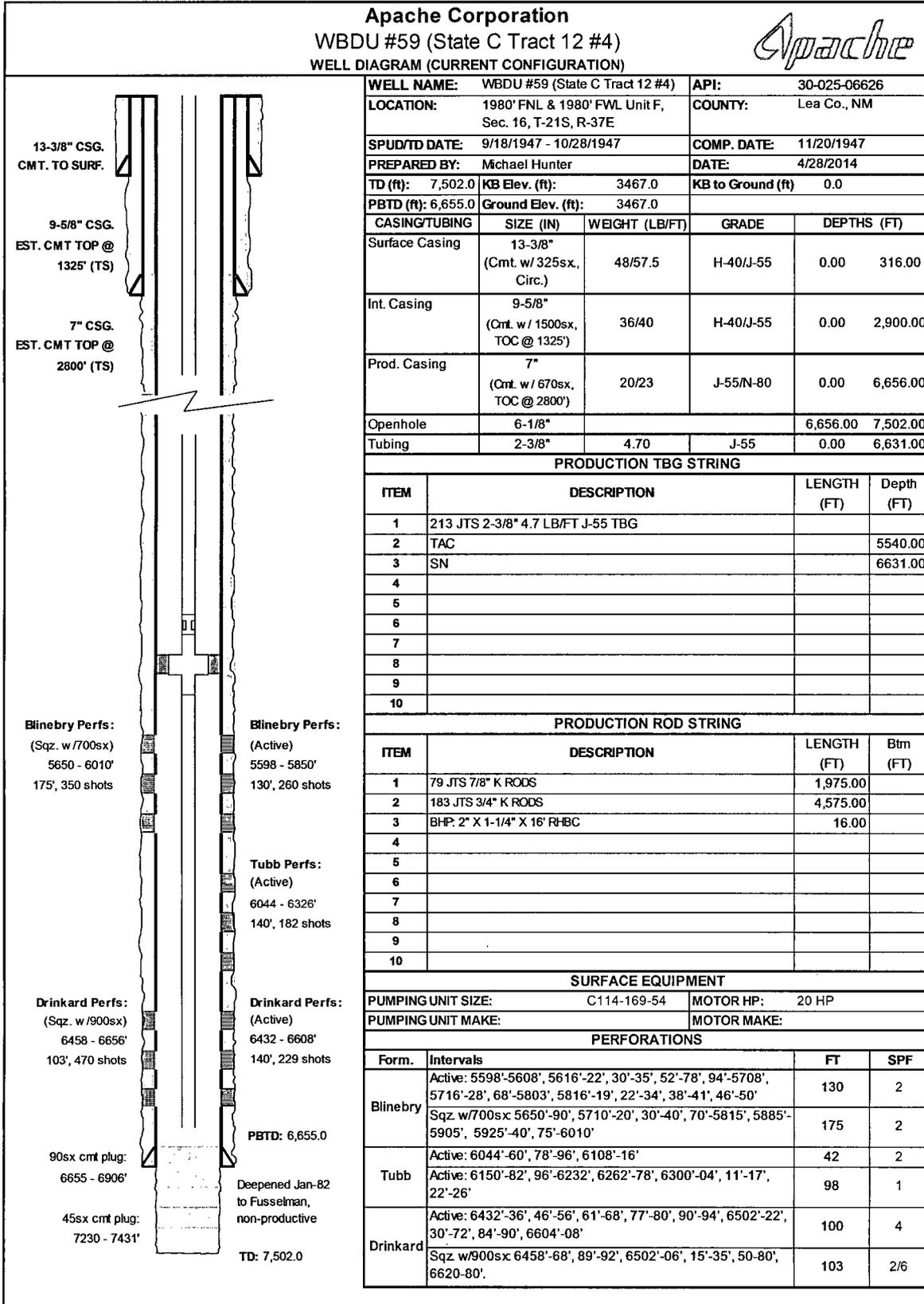
MIRU acidizers. Acidize the Drinkard w/10,000 gals 15% HCl and rock salt in 3 equal stages @ +/- 8 BPM. Release packer. Wash out salt. POOH

Day 11: PU and RIH with 4-1/2" injection packer with 2-3/8" IPC tubing subs, upper and lower profile nipples, and on/off tool on 2-3/8" work string. Set packer @ +/-6500'. Release on/off tool and pressure test casing to 500 psi. POOH and LD 2-3/8" work string

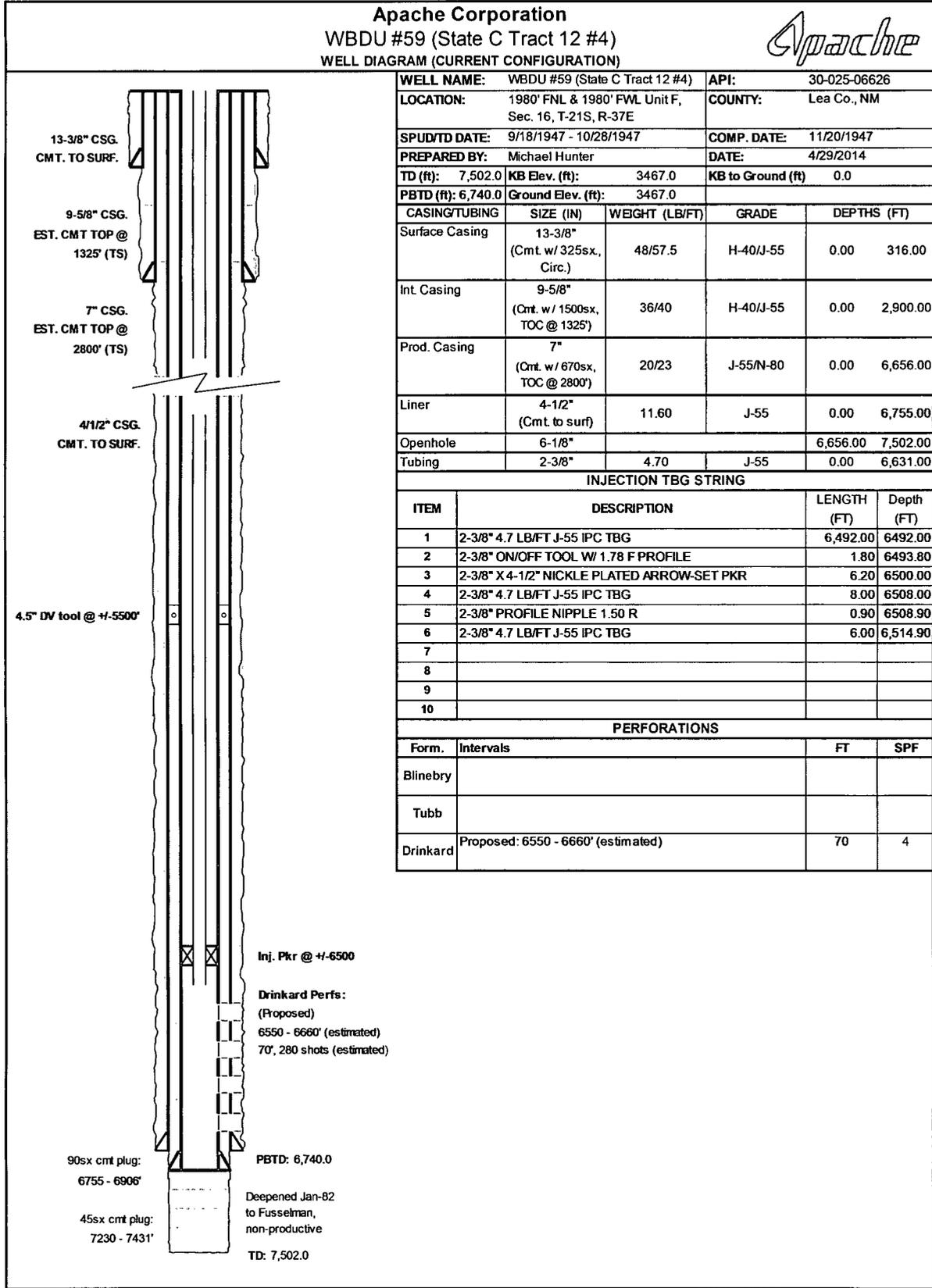
Day 12: PU & RIH w/2-3/8" IPC injection tubing and on/off tool. Circulate packer fluid and latch onto packer with on/off tool. ND BOPs and NU WH. Pressure test casing to 500 psi. RDMO SR

Day 13: Perform MIT test for NM OCD. Place well on injection

Current Wellbore Diagram



A4. Proposed Wellbore Diagram



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 WFX-913
June 28, 2013

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order R-12981, Apache Corporation has made application to the Division for permission to add eight (8) water injection wells to its West Blinebry-Drinkard Unit (WBDU) Waterflood Project in the North Eunice Blinebry-Tubb-Drinkard Pool (22900) in Lea County, New Mexico. The conversion of the existing wells into water injection wells is anticipated to normalize the injection pattern in the south end of the WBDU.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 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 wells are eligible for conversion to injection under the terms of that rule. 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 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 (OGRID 873), as operator, is hereby authorized to inject water into the Blinebry, Tubb, and Drinkard formations through plastic-lined tubing for purposes of secondary recovery. The eight wells with specific information proposed in the application are:

API No.	WBDU Well #	Unit	Section	Township	Range	Top Perf.	Bottom Perf.	Tubing	Max Surf Pressure
30-025-06439	37	P	9	21S	37E	5585	6710	2.375 in	1117psig
30-025-06433	40	P	8	21S	37E	5597	6758	2.375 in	1119 psig
30-025-06621	56	H	16	21S	37E	5543	6702	2.375 in	1108 psig
30-025-06626	59	F	16	21S	37E	5580	6694	2.375 in	1116 psig
30-025-06629	61	D	16	21S	37E	5599	6726	2.375 in	1120 psig
30-025-06638	66	H	17	21S	37E	5572	6712	2.375 in	1114 psig
30-025-06615	75	L	16	21S	37E	5590	6707	2.375 in	1118 psig
30-025-06618	77	J	16	21S	37E	5547	6674	2.375 in	1109 psig

The approved maximum surface tubing injection pressure shall be **1120 psig or 0.2 psig per foot of depth to the uppermost perforation in the injection well, whichever is less**, as approved in paragraph (13) of Order No. R-12981 dated August 11, 2008. The operator shall set the injection packer in individual wells no more than 100 feet above the shallowest perforation for the permitted injection interval.

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 testing procedures and schedules shall follow the requirements in 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 these wells 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 these wells.

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 District I Office. The operator shall submit monthly reports of the disposal operations on Division 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 District I 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.

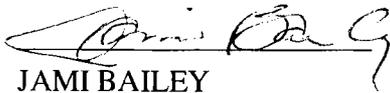
The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 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.

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 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. The subject wells shall be governed by all provisions of Division Order No. R-12981 and associated administrative orders.

The injection authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into at least one of the subject wells, provided however, the Division, upon written request by the operator received prior to the two-year deadline, may grant an extension thereof for good cause shown.



JAMI BAILEY
Director

JB/prg

cc: New Mexico Oil Conservation Division – Hobbs
Case File 13503