

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



30-025-06439

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 Blinbry-Drinkard Unit (WBDU) Waterflood Project in the North Eunice Blinbry-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 Blinbry, Tubb, and Drinkard formations through plastic-lined tubing for purposes of secondary recovery. The eight wells with specific information proposed in the application are:

AUG 27 2014

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.

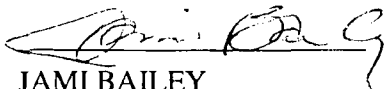
The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

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