



ADMINISTRATIVE ORDER NO. WFX-740

***APPLICATION OF APACHE CORPORATION TO EXPAND ITS WATERFLOOD
PROJECT IN THE NORTH EUNICE BLINEBRY-TUBB-DRINKARD POOL IN LEA
COUNTY, NEW MEXICO***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-8541 as amended, Apache Corporation has made application to the Division on July 17, 1998 for permission to expand its Northeast Drinkard Unit Waterflood Project in the North Eunice Blinebry-Tubb-Drinkard Oil & Gas Pool in Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been filed in due form.
- (2) Satisfactory information has been provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection wells are eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced waterflood project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Apache Corporation, be and the same is hereby authorized to inject water into the Blinebry, Tubb and Drinkard formations at approximately 5704 feet to approximately 6888 feet through 2 3/8-inch fiberglass lined tubing set in a packer located within 100 feet of the uppermost injection perforations in the wells shown in Exhibit 'A' for purposes of secondary recovery.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to no greater than .2 psi per foot of depth to the uppermost injection perforations or casing shoe.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Blinberry, Tubb or Drinkard formations. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

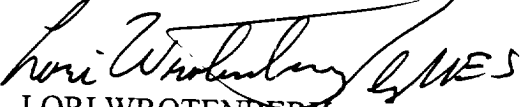
The subject wells shall be governed by all provisions of Division Order No. R-8541 as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

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

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 13th day of October, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/BES/kv

cc: Oil Conservation Division - Hobbs /
Case File No.9232

EXHIBIT "A"
 DIVISION ORDER NO. WFX-740
NORTHEAST DRINKARD UNIT WATERFLOOD PROJECT
 APPROVED INJECTION WELLS

Well Name	Well No.	Location	Unit	S-T-R	Injection Interval	Packer Depth	Tubing Size*	Pressure Gradient	Injection Pressure
NEDU	117	921' FNL & 1650' FWL	C	2-21S-37E	5750'-5946'	5650'	2 3/8"	2 psi/ft	1150 PSIG
NEDU	222	3534' FNL & 990' FEL	I	2-21S-37E	5781'-5820'	5681'	2 3/8"	2 psi/ft	1156 PSIG
NEDU	313	710' FSL & 610' FWL	M	2-21S-37E	5778'-6489'	5678'	2 3/8"	2 psi/ft	1156 PSIG
NEDU	319	650' FSL & 990' FEL	P	2-21S-37E	5786'-6888'	5686'	2 3/8"	2 psi/ft	1137 PSIG
NEDU	320	660' FSL & 1780' FEL	J	2-21S-37E	5769'-5925'	5669'	2 3/8"	2 psi/ft	1154 PSIG
NEDU	507	2100' FSL & 760' FEL	I	10-21S-37E	5704'-6604'	5604'	2 3/8"	2 psi/ft	1141 PSIG

All wells located in Lea County, New Mexico

* 2 7/8 inch tubing may be substituted for 2 3/8 inch.