OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

ADMINISTRATIVE ORDER NO. WFX-759

N.M.

APPLICATION OF APACHE CORPORATION TO EXPAND ITS WATERFLOOD PROJECT IN THE NORTH EUNICE BLINEBRY-TUBB-DRINKARD POOL IN LEACOUNTY, 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 April 13, 2000, with additional information received on May 4, 2000, 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 5500 feet to approximately 6750 feet through 2 3/8-inch plastic 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 Blinebry, 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.

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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 8th day of May, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY Director

SEAL

LW/MWA/kv

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

EXHIBIT "A"

DIVISION ORDER NO. WFX-759

NORTHEAST DRINKARD UNIT WATERFLOOD PROJECT

APPROVED INJECTION WELLS

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NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	NEDU	Well Name
915	911	907	813	809	806	805	707	704	609	606	525	405	320	Well No.
1980' FSL & 1980' FEL	1960' FSL & 660' FWL	1980' FSL & 1980' FEL	1980' FNL & 1980' FWL	1980' FNL & 660' FEL	660' FNL & 1780' FEL	1980' FSL & 1980' FWL	1725' FSL & 2149' FEL	660' FSL & 1980' FWL	660' FNL & 1980' FEL	3375' FSL & 3225' FEL	500' FNL & 2080' FEL	660' FNL & 1980' FEL	660' FSL & 1780' FWL	Location
J	L	J	Ŧ	Н	В	Ŧ	J	z	В	נדי	Z	В	₩	Unit
23-21S-37E	23-21S-37E	22-21S-37E	23-21S-37E	22-21S-37E	22-21S-37E	22-21S-37E	15-21S-37E	15-21S-37E	15-21S-37E	15-21S-37E	10-21S-37E	10-21S-37E	2-21S-37E	S-T-R
5500'-6700'	5450'-6612'	5450'-6618'	5700'-6600'	5700'-6615'	5550'-6620'	5650'-6700'	5500'-6750'	5500'-6630'	5700'-6959'	5700'-6800'	5560'-6800'	5550'-6725'	5650'-5925'	Injection Interval
5400'	5350'	5350'	5600'	5600'	5450'	5550'	5400'	5400'	5600'	5600'	5460'	5450'	5550'	Packer Depth
2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	Tubing Size
.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	Pressure Gradient
1100 PSIG	1090 PSIG	1090 PSIG	1140 PSIG	1140 PSIG	1110 PSIG	1130 PSIG	1100 PSIG	1100 PSIG	1140 PSIG	1140 PSIG	1112 PSIG	1110 PSIG	1130 PSIG	Injection Pressure

All wells located in Lea County, New Mexico