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July 5, 1994

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-2088

Attn: Mr. Michael E. Stogner

Re: Exception to Statewide Rule No. 309
Surface Commingling of Casinghead Gas
Dickey Sullivan No. 3 and Continental State No. 12
Turkey Track 7R-Qn-Gb-SA Field
Eddy County, New Mexico

Gentlemen:

Anadarko Petroleum Corporation requests an exception to Statewide Rule No. 309 for the purpose of commingling of casinghead gas (CHG) from the Continental State No. 12 and the Dickey Sullivan No. 3. The attached map shows the location of both the wells No. 12 at 330' FSL and 1980' FWL Sec. 10, Dickey Sullivan No. 3 at 660' FNL and 1650' FWL Sec. 15, and the location of GPM's low pressure pipeline at approximately 2350' FNL and 940' FEL Sec. 10 with all locations in T19S, R29E.

Anadarko owns 100% working interest in both wells and requests permission to lay a low pressure line starting at the Dickey Sullivan No. 3, proceeding to the Continental State No. 12, and ending at a GPM gas meter to be set and maintained by GPM at the location of GPM's low pressure line. Anadarko would then allocate the sales of CHG back to each well by using a monthly GOR test.

Anadarko is asking for this exception since neither Anadarko nor GPM can economically justify two separate meters and the gas line from the wells to the low pressure line. With this proposal of Anadarko laying and installing the gas line and GPM installing, maintaining, and reading the meter, both companies are sharing the risk and the gas is being produced rather than vented.

Both the No. 12 and the No. 3 are completed in the Seven Rivers and the Queen. They are currently producing economical volumes of oil and some water which has to be trucked to disposal. The volume of gas to be gathered is approximately 40 to 50 mcf/d.

The minerals are owned by The State of New Mexico.

Please review Anadarko's application for the exception, and should you require further information, please phone.

Very truly yours,

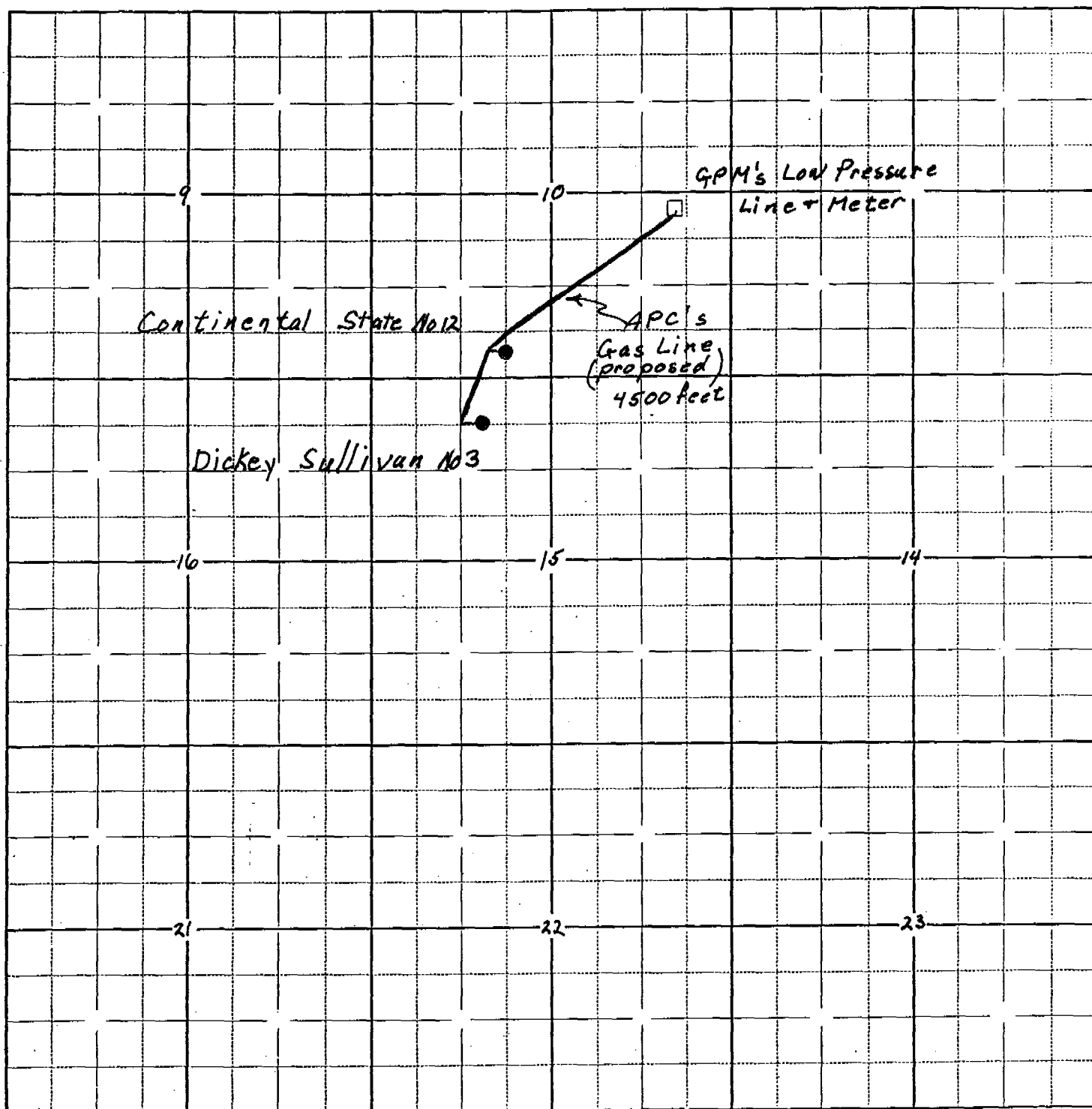
George R. S. Buehler
Staff Production Engineer

GRSB/jad
Attachments

cc: NMOCD - Artesia
Jerry Buckles
Well File

grsb.nmocd

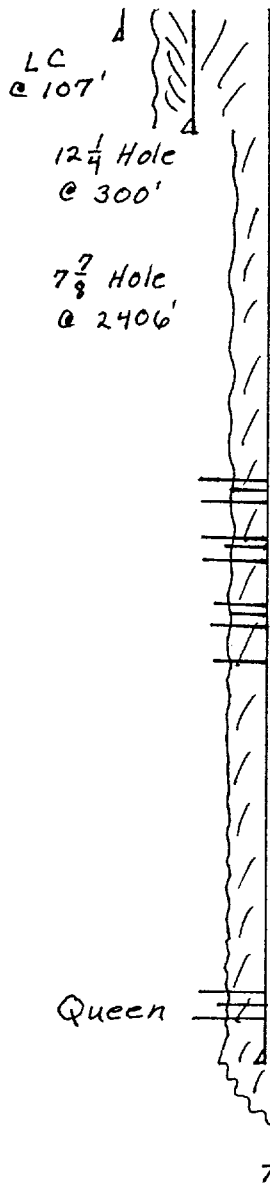
Township 19S, Range 29E, County Eddy, State N.M.



DILNEY SULLIVAN No. 3
 Turkey Track 7R - Qn - Gb Field
 660' FNL + 1650' FWL, Sec 15, T19S, R29E
 Eddy County, New Mexico

EIV 3351' G.L.

Spud March 27, 1993



40' 14" Conductor
 8 5/8" 24# J-55 @ 290'
 w/ 200 SXS Lite + 100 SXS C
 TSITC @ 100'
 Redimix w/ 2 yds
 5 1/2" 15.5# @ 2405'
 w/ 375 SXS Lite + 350 SXS 50/50/2
 (cmt circ - 25 SXS)

1517-28 1SPF
 1532-47 1SPF
 1562-78 1SPF
 1581-82 1SPF

7-R Recompletion 4-18-94
 A/ 2500 gal 7 1/2% NeFe + 100 BS.
 F/ 27,000 gal XLG, 72,000# 12/20 +
 32,000# 12/20 Resin Coated
 IPP 5-3-94 18 BO, 66 BLW, 22 mcf

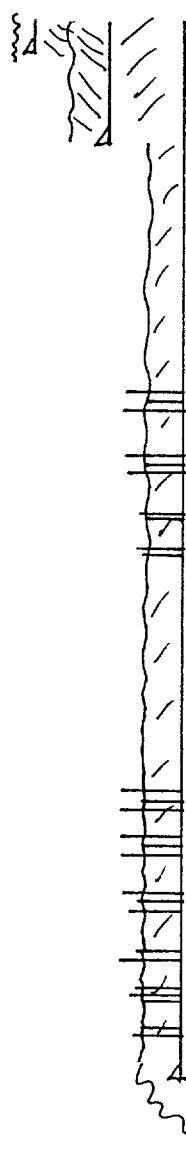
2162-68, 75-78, 85-88, 92-95, 2209-14 1SPF
 A/ 2500 gal 7 1/2% NeFe + 50 B.S.
 F/ 30,000 gal XLG + 100,000# 12/20
 IPP 4/20/93 11 BO, 28 BW, 3 mcf

TD @ 2406'

GRSB
 4/11/94

CONTINENTAL STATE #12
 TURKEY TRACK 7R-QN-G6-SA
 330' FSL & 1980' FWL Sec 10, T19S, R29E
 EDDY COUNTY, NEW MEXICO

Spud April 3, 1993



b) 14" Conductor @ 38' in 20" Hole w/ Redimix

8 ⁵/₈" 24# @ 295' in 12 ¹/₄" Hole

w/ 200 SXS Lite + 100 SXS C - Did Not Circ
 (Cmt Circ w/ 1" @ 120' + 25 SXS)

1562-77 1 SPF

1593-1607 1 SPF

1613-16 1 SPF

1620-22 1 SPF

7R Recompletion 3/8/94

A/ 1500 gal 7 ¹/₂% NeFe + 75 B.S.

F/ 27,000 gal XLG, 99,760# 12/20

IPP 3-28-94 50 BO, 14 BW, 58 BW, 44 mc.

2184-89 1 SPF

2194-98 1 SPF

2213-19 1 SPF

2224, 26 1 SPF

2230-33 1 SPF

2238, 39 1 SPF

Acid w/ 2500 gal 7 ¹/₂% NeFe + 52 B.S.

F/ 30,000 gal XLG + 100,000# 12/20

IPP 4-28-93 3 BO, 10 BW, TSTM

5 ¹/₂" 15.5# J-55 LT & C @ 2345' in 7 ⁷/₈" Hole

FRSB
 3/7/94



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 2, 1994

Anadarko Petroleum Corporation
P.O. Box 2497
Midland, Texas 79702

Attention: Mr. George R. S. Buehler

Dear Mr. Buehler:

I have reviewed your application to surface commingle Seven Rivers-Queen casinghead gas production from the Dickey Sullivan No. 3 and the Continental State No. 12 in Sections 10 and 15, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. Please be advised that prior to obtaining Division approval, you must obtain approval to commingle from the Commissioner of Public Lands for the State of New Mexico. The contact person within the Oil and Gas Division is Mr. Pete Martinez at (505) 827-5791.

Please advise me when approval from the Commissioner of Public Lands has been secured at which time the Division will process your application. If you have any questions, please contact me at (505) 827-5800.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Catanach".

David Catanach
Engineer

xc: OCD-Artesia
Mr. Pete Martinez, State Land Office



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

RAY POWELL, M.S., D.V.M.
COMMISSIONER

(505) 827-5760
FAX (505) 827-5766

September 26, 1994

Anadarko Petroleum Corporation
P. O. Box 2497
Midland, Texas 79702

Attn: Mr. George R. S. Beuhler

Re: Surface Commingling of Casinghead Gas
Dickey Sullivan No. 3, NE/4NW/4 Sec. 15-19S-29E
Continental State No. 12, SE/4SW/4 Sec. 10-19S-29E
Turkey Tract 7R-Qn-Gb-SA field
Eddy County, New Mexico

Dear Mr. Beuhler:

This office is in receipt of your application requesting our approval to commingle the casinghead gas from the Continental State No. 12 and the Dickey Sullivan No. 3.

It is our understanding that Anadarko will lay a low pressure line starting at the Dickey Sullivan No. 3 Well, proceeding to the Continental State No. 12, and ending at a GPM gas meter to be set and maintained by GPM in the NE/4SE/4 of Section 10-19S-29E.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling the above-mentioned wells is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Since the proposed gas line will be crossing several state leases, it appears that a right-of-way may be needed from this office. Please contact Debbie Padilla of our Right-of-Way section at (505) 827-5729 for an application.

Anadarko Petroleum Corp.

September 26, 1994

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Your filing fee in the amount of \$30.00 has been received.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director

Oil/Gas and Minerals Division

(505) 827-5744

RP/FOP/pm

cc: Reader File

OCD-Attn: Mr. David Catanach

Mr. Ben Stone