

RECEIVED
Anadarko
PRODUCTION COMPANY
SEP 3 8 26 AM '81
STATE LAND OFFICE
SANTA FE, N. M.

P. O. Box 67 • Loco Hills, New Mexico 88255 • (505) 877-2411

A
Panhandle
Eastern
Company

August 31, 1981

Mr. Alex Armijo
Commissioner of Public Lands
P. O. Box 1449
Santa Fe, New Mexico 87501

Re: "Off-Lease Storage - Rule 309-C, Item #6"

Dear Sir:

Anadarko Production Company hereby requests your permission to proceed with an application to the NMOCC for "Off-Lease-Storage". See Exhibits #1 & #2 for area involved. This request would involve moving Fee oil onto Federal land.

We propose to relocate the production from the Taylor #1, #2 & #3 wells (S/2 SW/4 Unit Letters M & N, Sec. 30, T16S, R32E, Lea County, New Mexico) to the SE/4 SE/4 Unit Letter P, Sec. 25, T16S, R31E, Eddy County, New Mexico.

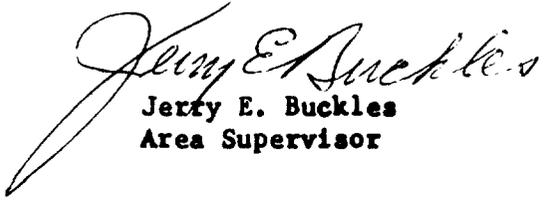
It is our intention to build a new tank battery @ Unit Letter P, Sec. 25 consisting of four oil storage tanks & four gun barrels. Production on the Baxter Federal "B" lease (NM 041538) and the Carper Federal lease (also NM 041538) will be maintained separately, although Anadarko is currently the sole interest holder. Likewise, production from the Taylor #1 & #2 will be maintained separately from the Taylor #3, although Anadarko is also currently the sole lease holder.

This consolidation is proposed for four reasons:

1. Existing facilities were not designed to handle produced water. The new batteries will incorporate atmospheric gunbarrels set at an elevation which will permit transferral of produced water to the Water Plant for disposal via gravity.
2. The old facilities are junk. New facilities could be built at this central location and put into service with a minimal of down time.
3. Consolidation reduces gauging time.
4. Consolidation would reduce road maintenance since travel would be more centralized.

Your prompt approval of this move will allow Anadarko to proceed with other stipulations set forth in Rule 309-C.

Yours very truly,


Jerry E. Buckles
Area Supervisor

JEB/rk



United States Department of the Interior

GEOLOGICAL SURVEY

South Central Region

P. O. Box 26124

Albuquerque, New Mexico 87125-6124

Anadarko Production Company
P. O. Box 67
Loco Hills, New Mexico 88255

Gentlemen:

Your application of August 31, 1981 requests approval for off-lease measurement and storage of oil and gas production from fee leases into storage facilities on Federal lease NM-041538. Such production is to be measured and stored separately from production of the Federal lease. There will be no commingling of production from fee or State leases with Federal oil.

Your application for off-lease measurement and storage of production from fee leases into storage facilities on Federal lease NM-041538 is hereby approved subject to notification of the Roswell District Oil and Gas Supervisor when the action has been completed. This letter should not be construed as your authority to construct any facilities or use any surface for pipeline right-of-way on Federal or non-Federal leases. Such approval must be obtained from the surface managing agencies concerned.

Sincerely yours,

Joe D. Lara

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Exhibit #7

Anadarko
PRODUCTION COMPANY

A
Panhandle
Eastern
Company

P. O. Box 87 • Loco Hills, New Mexico 88255 • (505) 677-2411

August 31, 1981

Mr. Gene Daniel
Deputy Oil & Gas Conservation Manager
P. O. Box 26124
Albuquerque, New Mexico 87125

Re: "Off-Lease Storage - Rule 309-C, Item #6"

Dear Sirs:

Anadarko Production Company hereby requests your permission to proceed with an application to the NMOCC for "Off-Lease-Storage". See Exhibits #1 & #2 for area involved. This request would involve moving Fee oil onto Federal land.

We propose to relocate the production from the Taylor #1, #2 & #3 wells (S/2 SW/4 Unit Letters M & N, Sec. 30, T16S, R32E, Lea County, New Mexico) to the SE/4 SE/4 Unit Letter P, Sec. 25, T16S, R31E, Eddy County, New Mexico.

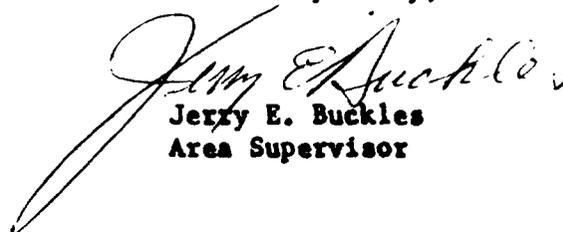
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Your prompt approval of this move will allow Anadarko to proceed with other stipulations set forth in Rule 309-C.

Yours very truly,


Jerry E. Buckles
Area Supervisor

JEB/rk

State of New Mexico



Commissioner of Public Lands

September 9, 1981

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Anadarko Production Company
P. O. Box 67
Loco Hills, New Mexico, 88255

Re: Taylor No. 1, located in unit letter M; Taylor No. 2, located in unit letter M; Taylor No. 3, located in unit letter N, All in Section 30, Township 16 South, Range 32 East and Baxter "B" Federal No. 1 located in unit letter P, Section 25, Township 16 South Range 31 East.

ATTENTION: Mr. Jerry E. Buckles

Dear Sir:

Pursuant to your request of August 31, 1981, whereby, you request permission to proceed with an application to the NMOCD for "Off Lease Storage" proposing thereby to relocate the production from the captioned wells, upon checking our land records we find that these wells are not located in State owned lands.

Therefore, we have no interest in the aforesaid lands or no further comment on your application.

You may file the enclosed application with the United States Geological Survey, P. O. Box 26124-MS400, Albuquerque, New Mexico 87125-6124.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
A/C 505-827-2748

AJA/FOP/s
encls.
cc:

OCD-Santa Fe, New Mexico

Exhibit #6