

**Anadarko**  
PRODUCTION COMPANY

A  
Panhandle  
Eastern  
Company

P. O. Box 87 • Loco Hills, New Mexico 88256 • (505) 677-2411

March 23, 1982

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

139

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 State Lease oil only.

We propose to relocate the production from the Continental State #1, #2, #3, #5, (Sec. 10, Unit Letters A, G, B, & M - T19S, R29E) Continental State #6 & #7 (Sec. 9 Unit Letters O & I - T19S, R29E) Continental State A #4 (Sec. 16 Unit Letter A - T19S, R29E) Dickey Sullivan #1 & #2 (Sec. 15 Unit Letters D & C - T19S, R29E) Eddy County, New Mexico to Sec. 9 Unit Letter P, T19S, R29E, Eddy County, New Mexico

It is our intention to build a new tank battery at Unit Letter P, Sec. 9, consisting of four oil storage tanks and four gun barrels. Production from the Continental State 1, 2, 3, 5, 6 & 7, Continental State A-4, Continental State B-1, and the Dickey Sullivan 1 & 2 will be maintained separately.

This consolidation is proposed for four reasons:

1. Existing facilities were not designed to handle produced water. The new batteries will incorporate atmospheric gunbarrels. This will permit transferral of produced water to water plant for disposal.
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 maintenance and 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,

*Truman D. Jones*  
Truman D. Jones  
Field Foreman

Approved: *March 31, 1982*  
*Alex Armijo*  
COMMISSIONER OF PUBLIC LANDS

Anadarko  
PRODUCTION COMPANY

P. O. Box 67 • Loco Hills, New Mexico 88255 • (505) 677-2411

A  
Panhandle  
Eastern  
Company

April 22, 1982

Mr. Joe D. Ramey  
State Petroleum Engineer Secretary-Director  
P. O. Box 2088  
Santa Fe, New Mexico 87501

OLS- 139

Rec'd 4/26/82

Dear Sir:

Anadarko Production Company hereby requests administrative approval for "Off-Lease Storage" (Rule 309-C).

We wish to combine the production from our Continental State wells #1, #2 and #3 with the production from the Continental State wells #5, #6 and #7. All these wells have the same State Oil and Gas Lease Number (B-8096) and the same percentage of WI, RI and ORI. We would also like to combine the production from our Dickey Sullivan well #1 with the production from our Dickey Sullivan Well #2. These two wells have the same State Oil and Gas Lease Number (B-8326) with the same percentage of WI, RI and ORI.

With your approval we will build a central tank battery located on our Continental State B lease in Section 9, Unit Letter P, T19S, R29E, Eddy County, New Mexico. This central tank battery will service four separate leases: (1) Continental State, (2) Continental State "A", (3) Continental State "B" and (4) Dickey Sullivan. There will be no commingling of oil as each lease will have separate facilities incorporated into this battery.

The following Exhibits are enclosed for your information:

Exhibit #1 - Small scale map showing location of leases in relation to Loco Hills, New Mexico Townsite.

Exhibit #2 - Small scale map showing leases involved.

Exhibit #3 - Proposed new tank battery layout.

~~Exhibit #4 - Proof of ownership.~~

*Discard*

Exhibit #5 - Plat showing location of wells, formation(s) completed in and location of new tank battery.

Exhibit #6 - Letter from Commissioner of Public Lands.

If further information is needed, please contact me at the address or telephone number shown in our letterhead. Your prompt approval of this "Off-Lease Storage" facility will be greatly appreciated.

Yours very truly,

*Truman D. Jones*

Truman D. Jones, Field Foreman

TDJ/rk  
Attachments