

Anadarko
PRODUCTION COMPANY

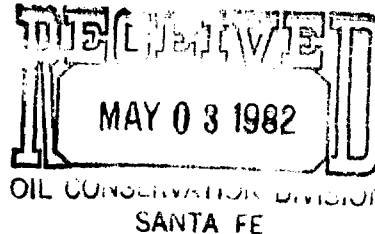
A
Panhandle
Eastern
Company

P. O. Box 806 • Eunice, New Mexico 88231 • (505) 394-3184

April 26, 1982

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State of New Mexico
Energy and Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501



Mr. Joe D. Ramey, Director

This is a request for an exception to Rule 303, as provided for in paragraph 3, and concerns the Anadarko Production Company Hugh Lease, Lea County, New Mexico.

At the present time we have two old tank batteries at one site. One battery accepts crude production from four wells producing from Penrose Skelly Field, Hugh 9-10-11-12. The other battery handles production from Hugh #13, this is a South Eunice San Andres well.

Tex-New Mex Pipe Line Company is transporter for both batteries.

The gravity of crude produced by four wells in Penrose Skelly field is 35.6. Average price per barrel for 1981 was \$34.86.

The gravity of crude from South Eunice SA well is 35.2 average price per barrel for 1981 was \$34.64.

The average daily production from four Penrose Skelly field wells is 20 BOPD. Production from the single SA well is 11 BOPD.

Expected value of commingled crude will not be reduced. The Anadarko Production Company is owner and operator of the entire lease.

Revenue and royalty interests are the same for all five wells.

New battery site will be located in Unit Letter D of Sec 14, TWS 22S, Rge 37E, Lea County, New Mexico.

Separate flow lines from each of 5 wells will make accurate testing possible. A 24 hr. test of oil, wtr and gas will be taken one time each month.

The legal description for each well as follows:

80 BOPD Penrose Skelly	\$34.64	35.6.
11 BOPD S. Eunice S.A.	\$34.64	35.2

Hugh #9 Unit Letter D
330' FNL and 330' FWL

Hugh #10 Unit Letter E
1650' FNL and 330' FWL

Hugh #11 Unit Letter F
1650' FNL and 1775' FWL

Hugh #12 Unit Letter C
330' FNL and 1650' FWL

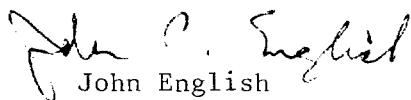
Hugh #13 Unit Letter D
330' FNL and 820' FWL

All in Sec 14, T22S, R37E

The condition of each tank battery is such that we feel we need to replace both batteries. By co-mingling we can cut construction cost in about half. A probable savings of nearly \$24,000.

We appreciate your time and consideration of this request.

Thank You,

A handwritten signature in dark ink, appearing to read "John C. English". The signature is fluid and cursive, with the first name "John" being more prominent.

John English
Area Supervisor
Anadarko Production Company

JE/lis

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

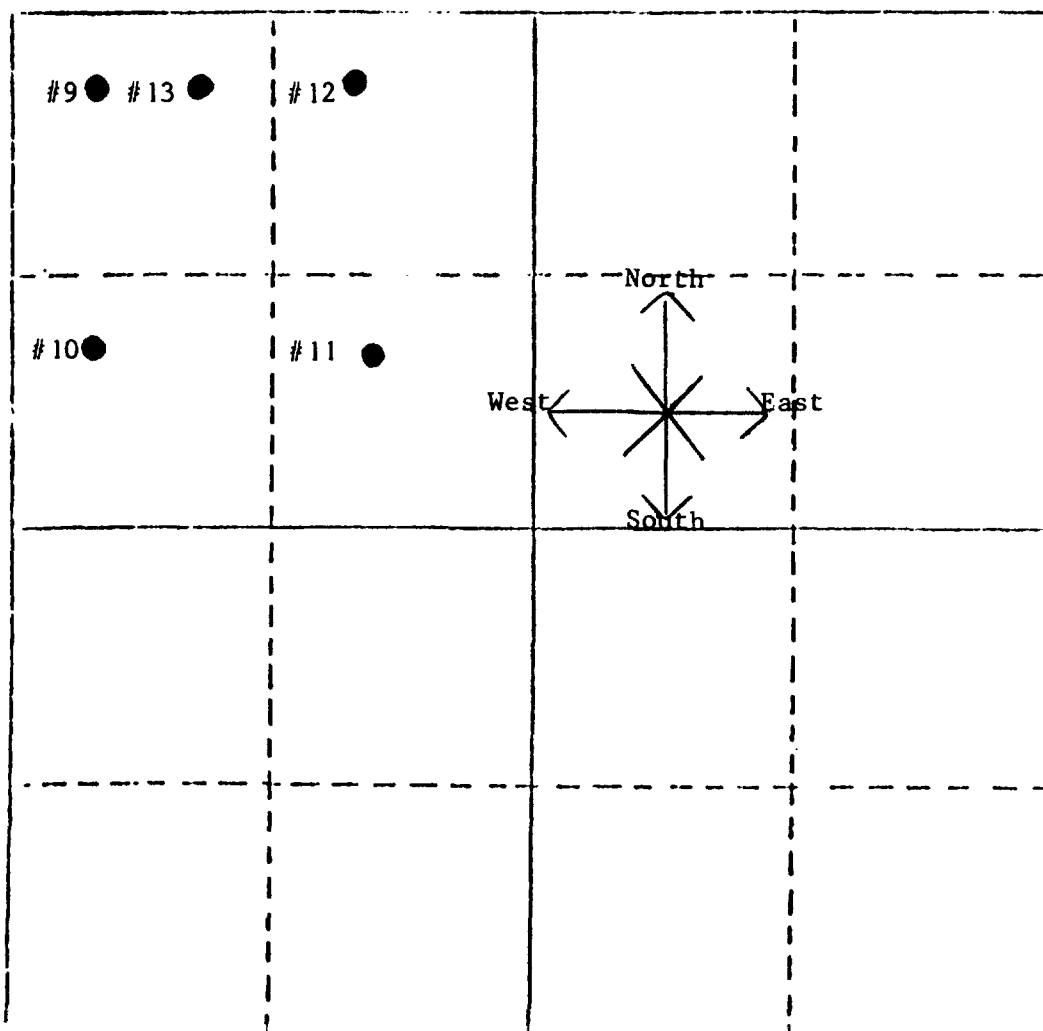
Form O-162
Revised 10-1-77

All distances must be from the outer boundaries of the Section.

Operator Anadarko Production Company		Lease Hugh & Hugh 13		Well No. 9, 10, 11, 12, 13
Unit Letter	Section 14	Township 22S	Range 37E	County Lea

Actual Footage Location of Well:

	feet from the	line and	feet from the	Unit Letter
Well #9	330' F North	330' F West		D
Well #10	1650' F North	330' F West		E
Well #11	1775' F West	1650' F North		F
Well #12	330' F North	1650' F West		C
Well #13	330" F North	820' F West		D



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Howard D. Hackett
Name

Howard Hackett

Position

Production Foreman

Company

Anadarko Production Company

Date

April 22, 1982

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Proposed Co-Mingled Battery - Hugh lease

