

Anadarko
PRODUCTION COMPANY

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

A
Panhandle
Eastern
Company

March 23, 1982

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 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:

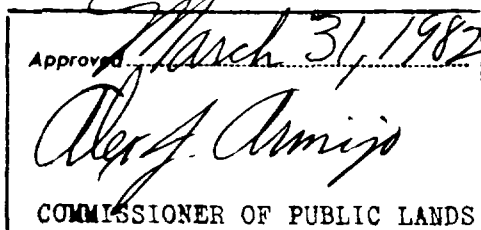
1. Existing facilities were not designed to handle produced water. The new batteries will incorporate atmospheric gunbarrels. This will permit transferral of produced water to water plant for disposal.
2. The old facilities are junk. New facilities could be built at this central location and put into 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.

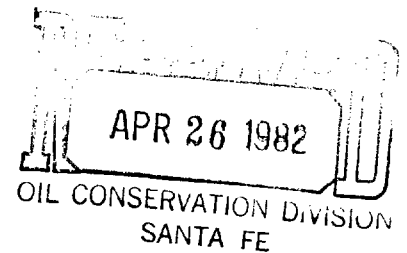
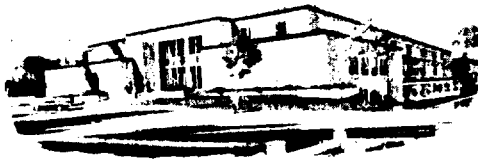
Yours very truly,

Truman D. Jones

Truman D. Jones
Field Foreman



State of New Mexico



ALEX J. ARMIJO
COMMISSIONER

Commissioner of Public Lands

March 31, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501X
87504-1148

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

Re: Off-Lease Storage
B-8096-20 & 21, E-701-8, E-2943-5
Eddy County, New Mexico

ATTENTION: Mr. Truman D. Jones

Gentlemen:

Reference is made to your request dated March 23, 1982 for Off-Lease Storage. Your proposal to build a new tank battery on the SE/4SE/4 of Section 9, T19S-R29E Lease No. B-8096-21 and to relocate the production from the Continental State Well Nos. 1, 2, 3, 5, (Sec. 10 Unit Letters A, G, B, & M - T19S, R29E Lease No. B-8096-20) Continental State Well Nos. 6 & 7 (Sec. 9 Unit Letters O & I - T19S, R29E Lease No. B-8096-20) Continental State A Well No. 4 (Sec. 16 Unit Letter A - T19S, R29E Lease No. E-2943-5) Dickey Sullivan Well Nos. 1 and 2 (Sec. 15 Unit Letters D & C - T19S, R29E Lease No. E-701-8) to Sec. 9 Unit Letter P, T19S, R29E Lease No. B-8096-21 Eddy County, New Mexico.

You are hereby given approval to the above request, subject to like approval by the New Mexico Oil Conservation Division. Any deviation from your proposed request will be reason to cancel approval.

Enclosed is one approved copy for your files. Please remit a Ten (\$10.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
B-8096-20 and 21
E-701-8
E-2943-5
OGAC-Santa Fe, New Mexico

Exhibit #6