

December 22, 2010

VIA HAND-DELIVERY

Mr. Mark E. Fesmire
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

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2010 DEC 22 PM 1:41

Re: Case No. 14329/Order No. R-13201: Application of Anadarko Petroleum Corporation for Approval of an Acid Gas Injection Well, San Juan County, New Mexico.

Dear Mr. Fesmire:

Anadarko Petroleum Corporation (“Anadarko”) requests an amendment of Order No. R-13201 which was issued in Case No. 14329 granting Anadarko’s application to inject acid gas into the Entrada formation through its Pathfinder AGI Well No. 1 located in Section 1, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico. Ordering Paragraph 22 of Order No. R-13201 allows the Division Director to amend the order administratively after proper notice and in the absence of protest. Anadarko requests the following amendments to the order:

1. Authorized Injection Zone (Page 4, paragraph 1): The order currently authorizes “disposal into the Entrada formation at a depth of 6,500 feet to 6,700 feet below the surface, through 2 7/8-inch tubing set in a packer located approximately 6,480 feet below the surface.” Anadarko testified during the hearing that the specified depth interval was “approximate” due to the nearest control well being approximately 5 miles away. Upon drilling of the AGI well, the Entrada formation actually occurs at approximately 6350-6490 feet below the surface. As a result we request that the language in the last sentence of paragraph 1 be amended to read as follows:

(1) ... “disposal into the Entrada formation at an approximate depth of 6350-6490 feet below the surface and that the packer be located approximately 6285 feet below the surface.”



2. Well construction (Page 4, paragraph 6, last sentence): The order currently requires:

“The surface casing shall be set at 1,100 feet and there shall be a total of three casing strings, all with cement circulated to the surface.” Anadarko was able to achieve the circulation of cement to the surface on two of the three strings; however, on the production casing we were able to achieve cementing to 660’ below the surface, which is 440’ above the base of the surface casing after a cement squeeze job approved by NMOCD’s Aztec office. This is well within acceptable completion specifications. As a result we request that the language in the last sentence of paragraph 6 be amended to read as follows:

(6)... The surface casing shall be set at 1,100 feet and there shall be a total of threes casing strings, and the cement must be circulated to at least 1000 feet below the surface or 100 feet above the base of the surface casing.

At your direction, Anadarko has notified parties within a one mile Area of Review and a copy of the notice is also enclosed for your reference.

Also, attached please find a proposed order for your consideration.

Very truly yours,

A handwritten signature in black ink that reads "Ocean Munds-Dry". The signature is written in a cursive, flowing style.

Ocean Munds-Dry
Attorney for Anadarko Petroleum Corporation

cc: Linda Kuhn, Esq. (Anadarko)
Mikal Altamore, Esq. (OCD)
Enclosures