

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:**

**APPLICATION OF ANADARKO PETROLEUM CORPORATION FOR
APPROVAL OF AN ACID GAS INJECTION WELL, SAN JUAN COUNTY, NEW
MEXICO.**

**CASE NO. 14329
ORDER NO. R-13201-B**

ORDER OF THE DIVISION

BY THE DIVISION:

THIS MATTER came before the Oil Conservation Division for hearing on October 15, 2009 and on December 16, 2009, the Division entered Order No. R-13201, which granted the application of Anadarko Petroleum Corporation to inject acid gas into the Entrada formation through a well to be drilled 1650 feet from the North line and 2310 feet from the West line (Unit F) of Section 1, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico.

NOW, on this 15th day of February, 2011, the Division Director,

FINDS THAT:

(1) In Order No. R-13201, the Division Director may amend the order administratively, after proper notice, and in the absence of protest.

(2) Anadarko has requested certain amendments to Order No. R-13201 in order to correct information that has changed since the drilling of the well.

(3) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.

(4) Anadarko has requested that the provision in Ordering paragraph 1 be amended to state that injection is authorized in the Entrada formation at a depth approximately 6350-6490 feet below the surface and that the packer be located approximately 6285 feet below the surface. The order authorized disposal at a depth of 6500 feet to 6700 feet below the surface. After drilling the well, the Entrada formation is at approximately 6350 feet to 6490 feet.

(5) Anadarko has requested that the provision in Ordering paragraph 6 be amended to state that during construction of the well, cement must be circulated to at least 1000 feet or 100 feet above the base of the surface casing. This requirement has been reviewed and approved by the Division's Aztec office and the Engineering Bureau.

(6) Anadarko Petroleum also requested on December 16, 2010 that the maximum allowable surface injection pressure be increased administratively to 2,160 psi based on OCD witnessed Step-Rate-Test. This request was granted administratively pursuant to paragraph 13 of Order No. R-13201 on December 22, 2010.

(7) BHP Billiton initially objected to the granting of these requested amendments to the Order, however, after due consideration, withdrew its objection in a letter to the Oil Conservation Division dated February 3, 2011.

(8) No other party opposed the granting of the requested amendments. Accordingly, Anadarko's requested amendments should be granted.

IT IS THEREFORE ORDERED THAT:

(1) Ordering paragraph 1 of Order No. R-13201 is amended as follows:

"Anadarko Petroleum Corporation is hereby authorized to drill and complete its AGI Well which it proposes to drill at a location 1650 feet from the North line and 2310 feet from the West line (Unit F) of Section 1, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico in such a manner as to permit the injection of acid gas, consisting principally of hydrogen sulfide and carbon dioxide from its San Juan River Gas Plant, for disposal into the Entrada formation at a depth of approximately 6350 feet to 6490 feet below the surface, through 2 7/8-inch tubing set in a packer located approximately 6285 feet below the surface."

(2) Ordering paragraph 6 of Order No. R-13201 is amended as follows:

"The well shall be constructed substantially in accordance with the description in the Injection Well Data Sheet attached to Form C-108 filed by the applicant in this case. 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 at least 1000 feet or 100 feet above the base of the surface casing."

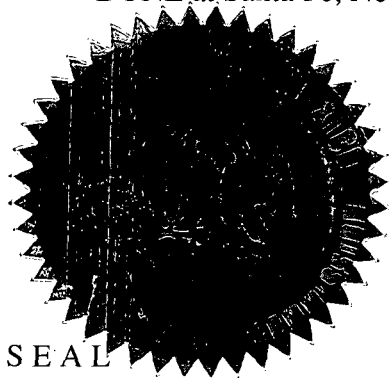
(3) Ordering Paragraph 12 of Order No. R-13201 is amended as follows:

"The injection well or system shall be equipped with a pressure limiting device that will limit the wellhead pressure on the injection well to no more than 2,160 psi while injecting acid gas. The operator shall maintain the injection fluid in the non-corrosive phase with minimum pressure regulating device as necessary."

(4) Except as amended in this Order, all the provisions of Order No. R-13201 are still in full force and effect.

(5) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


DANIEL SANCHEZ
Acting Director