



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

November 3, 1986

TONY ANAYA  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Anadarko Production Company  
P.O. Box 1330  
Houston, Texas 77251-1330

Attention: Theresa A. Rausheck  
Senior Regulatory Assistant

Re: Administrative Order NFL-144

Dear Ms. Rausheck:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

E.W. Walden Well No. 12, located 2250 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Penrose Skelly Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the SE/4 NW/4 (Unit F) of Section 15, Township 22 South, Range 37 East, is currently dedicated to the applicant's E.W. Walden Well No. 9 also located in Unit F of said Section.

(5) Said unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of additional gas reserves underlying the subject proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

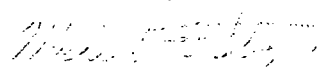
(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the E.W. Walden Well No. 12 as described above, as an infill well on the existing 40-acre oil proration unit comprising the SE/4 NW/4 (Unit F) of Section 15, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

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

Sincerely,

  
Michael E. Stogner  
Examiner

N.M.O.C.D. - Hobbs

Anadarko Production Company  
P.O. Box 1330  
Houston, Texas 77251-1330

Attention: Theresa A. Rausheck  
Senior Regulatory Assistant

Re: Administrative Order NFL-144

Dear Ms. Rausheck:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

E.W. Walden Well No. 12, located 2250 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Penrose Skelly Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the SE/4 NW/4 (Unit F) of Section 15, Township 22 South, Range 37 East, is currently dedicated to the applicant's E.W. Walden Well No. 9 also located in Unit F of said Section.

(5) Said unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of additional gas reserves underlying the subject proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the E.W. Walden Well No. 12 as described above, as an infill well on the existing 40-acre oil proration unit comprising the SE/4 NW/4 (Unit F) of Section 15, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

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

Sincerely,

Michael E. Stogner  
Examiner

N.M.O.C.D. - Hobbs

Anadarko Production Company  
P.O. Box 1330  
Houston, Texas 77251-1330

Attention: Theresa A. Rausheck  
Senior Regulatory Assistant

Re: Administrative Order NFL-

Dear Ms. Rausheck:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

E.W. Walden Well No. 12, located 2250 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMFM, Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Penrose Skelly Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the SE/4 NW/4 (Unit F) of Section 15, Township 22 South, Range 37 East, is currently dedicated to the applicant's E.W. Walden Well No. 9 also located in Unit F of said Section.

(5) Said unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of additional gas reserves underlying the subject proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the E.W. Walden Well No. 12 as described above, as an infill well on the existing 40-acre oil proration unit comprising the SE/4 NW/4 (Unit F) of Section 15, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

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

Sincerely,

Michael E. Stogner  
Examiner

N.M.O.C.D. - Hobbs



NATURAL GAS POLICY ACT  
INFILL FINDINGS

E. W. Walden No.12

- Rule 5 Forms C101 & C102 (copies attached)
- Rule 6 Penrose Skelly Pool  
40 acre proration units
- Rule 7 Division Order #R-6959 (copy attached)
- Rule 8 A-F Next page
- Rule 8 G The drainage area, calculated by volumetric analysis, indicates that the E. W. Walden No.9 has drained approximately 20 acres. This is supported by low recovery efficiencies when comparing the EUR to the OOIP.
  
- Rule 9 A. Grayburg Structure map (attached).
- B. The ultimate recovery on Walden No.12 estimated to be 30 MBO. This was calculated by taking a percentage of the Walden lease's incremental EUR after the No.12 & No.13 wells were drilled. This percentage was based upon production rates and cumulative recoveries from the two wells.  
  
E. W. Walden Lease Decline Curves (attached)

Rule 8 A-f Wells drilled on Proration Unit  
SE/4 NW/4 Section 15, T22S, R37E

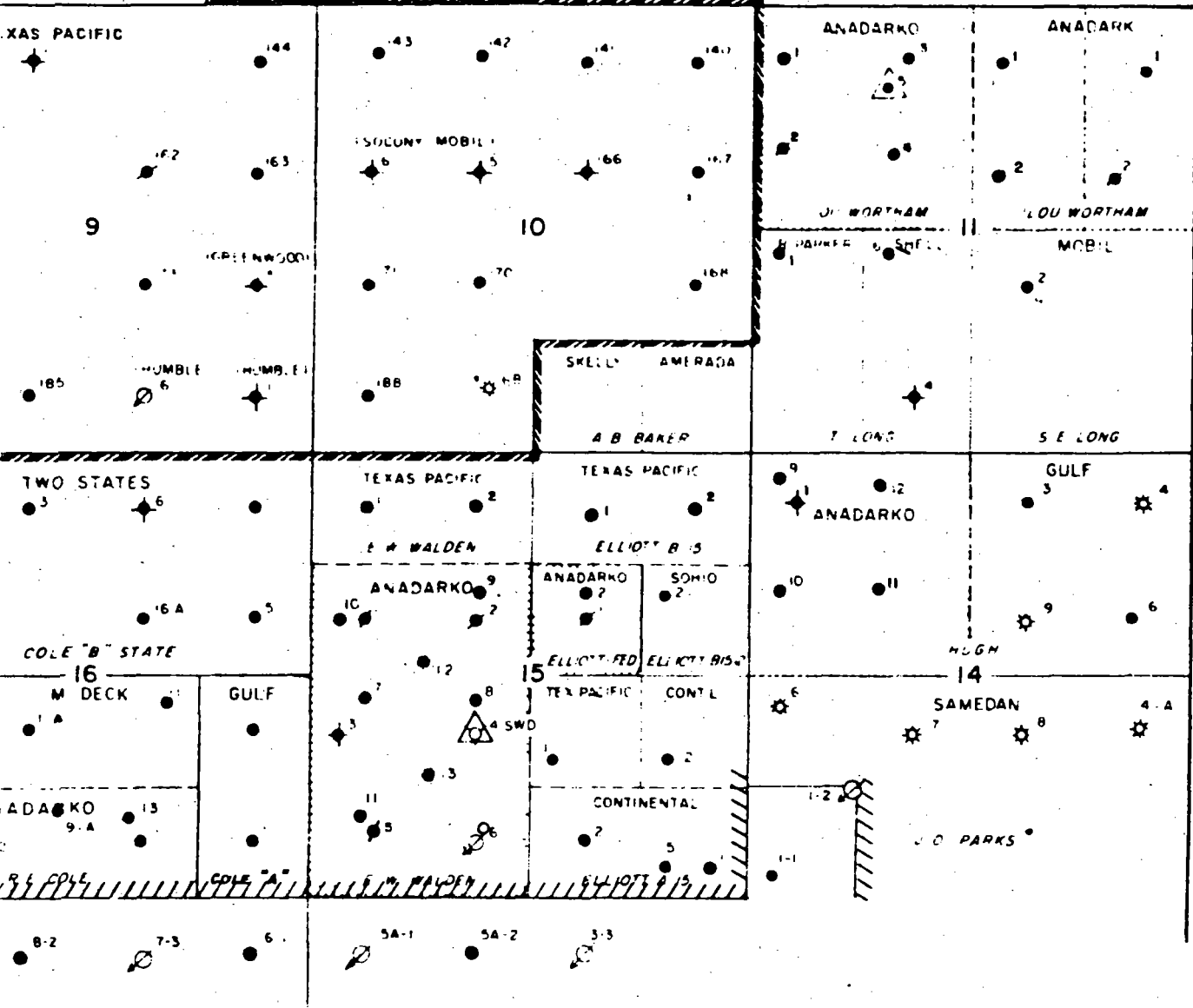
E. W. Walden No.12  
2250' FNL & 1350' FWL, Section 15, T22S, R37E  
Lea County, New Mexico  
Spud Date - 5-13-82  
Completion Date - 8-26-82  
Production rate (9-1-83) 5 BOPD & 7 BWPD

E. W. Walden No.2  
1980' FNL & FWL, Section 15, T22S, R37E  
Lea County, New Mexico  
Spud Date - NA  
Completion Date - 1938  
Mechanical Problems - Collapsed Casing  
P&A - 3-1-76  
This well produced from Upper Grayburg

E. W. Walden No.9  
1650' FNL & 1880' FWL, Section 15, T22S, R37E  
Lea County, New Mexico  
Spud Date - 5-29-69  
Completion Date - 7-1-69  
Production rate (9-1-83) 3 BOPD + 28 BWPD

R 37 E

T 22 S



**Anadarko**  
Production Company

**E. W. WALDEN LEASE**  
LEA CO., NEW MEXICO

**PROPOSED LOCATION**

---

Interpretation By: M. O. B.

Date: 4-82 Scale: 1" = 2000'

30-02527756

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work  
DRILL  DEEPEN  PLUG BACK

b. Type of Well  
OIL WELL  GAS WELL  OTHER   
SINGLE ZONE  MULTIPLE ZONE

Name of Operator  
Anadarko Production Company

Address of Operator  
P.O. Box 806 Eunice, New Mexico 88231

Location of Well  
UNIT LETTER F LOCATED 2250 FEET FROM THE North LINE

1350 FEET FROM THE West LINE OF SEC. 15 TWP. 22S RGE. 37E NMPM

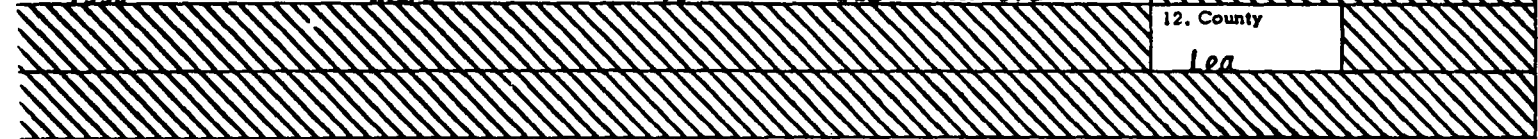
7. Unit Agreement Name

8. Farm or Lease Name  
E.W. Walden

9. Well No.  
12

10. Field and Pool, or Wildcat  
Penrose - Skelly

12. County  
Lea



19. Proposed Depth 4,000' 19A. Formation Grayburg SA 20. Rotary or C.T. Rotary

1. Elevations (Show whether DF, RT, etc.) 3402.6 GR 21A. Kind & Status Plug. Bond Blanket 21B. Drilling Contractor Warton 22. Approx. Date Work will start March 7, 1982

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8-5/8"	24#	1,150'	450 &x	Circ
7-7/8"	5 1/2"	15.5#	4,600'	570 &x	1,000'

1. Move in and RU Rotary Tools.
2. Drill 11" hole to 1,150' on top of Anhydrite.
3. Run 8-5/8" 24# csg. Cement w/sufficient Class C cement, containing 2% CACL, to circulate.
4. Nipple up, set BOP. Drill out after 12 hrs. w/7-7/8" bit.
5. Drill to approx. 4,000' or 100' into top of San Andres.
6. Run OH Logs.
7. Run 5 1/2" 15.5# csg. to TD. Cement w/Class C cement, using sufficient cement to put TOC @ approx. 1,000' from surface.
8. Complete as Grayburg SA producer.
9. POP.

APPROVAL VALID FOR 180 DAYS  
 PERMIT EXPIRES 11/6/82  
 UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed by: John C. English Title Area Supervisor Date 2/12/82  
 (This space for State Use)

PROVED BY JERRY SEXTON TITLE DISTRICT 1 SUPR. DATE MAY 6 1982  
 CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

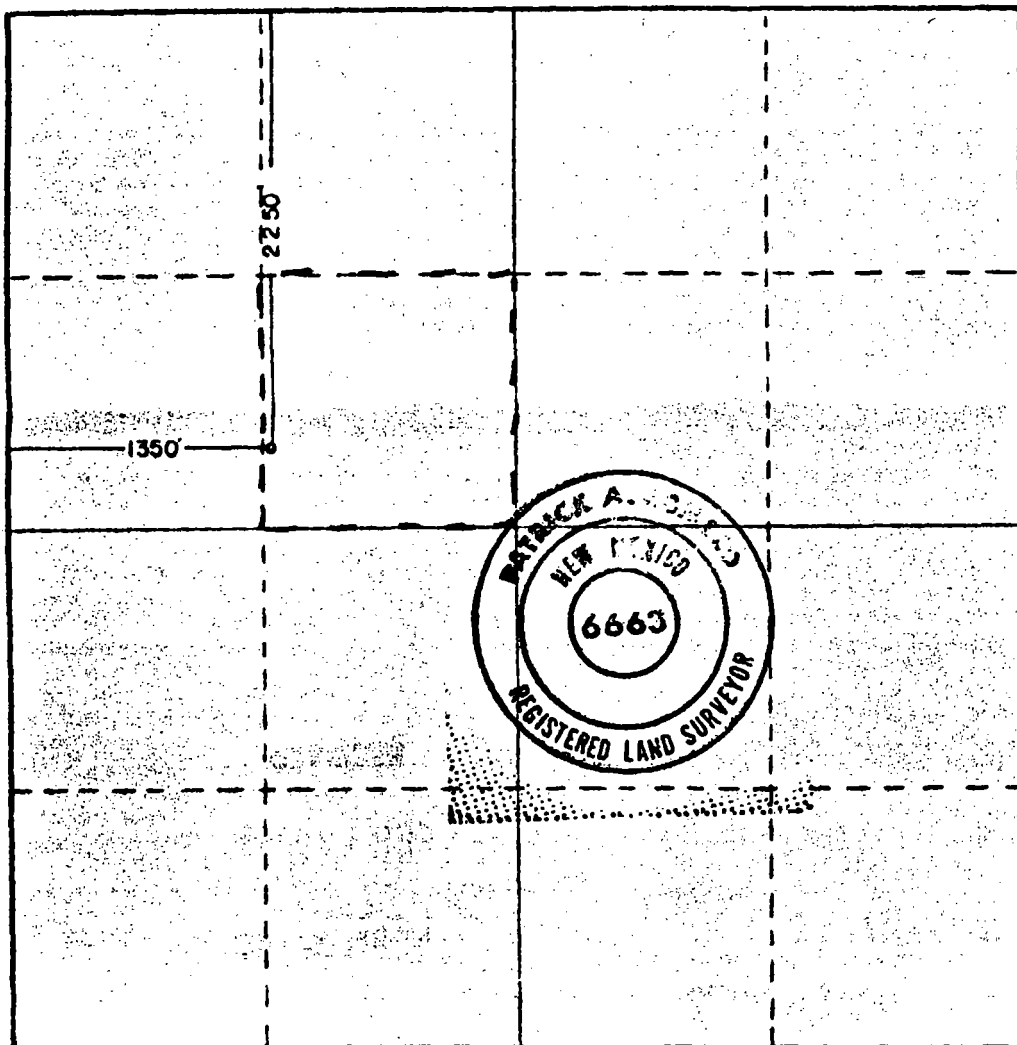
Operator <b>ANADARKO PRODUCTION CO.</b>			Lease <b>E. W. WALDEN</b>		Well No. <b>12</b>
Tract Letter <b>F</b>	Section <b>15</b>	Township <b>22 SOUTH</b>	Range <b>37 EAST</b>	County <b>LEA</b>	
Actual Footage Location of Well: <b>2250</b> feet from the <b>NORTH</b> line and <b>1350</b> feet from the <b>WEST</b> line					
Ground Level Elev. <b>3402.6</b>	Producing Formation <b>Grayburg SA</b>		Pool <b>Penrose Skelly</b>		Dedicated Acreage: <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

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

*John C. English*  
Name

**John English**  
Position

**Area Supervisor**  
Company

**Anadarko Production Company**  
Date

**February 17, 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 **2-11-82**

Registered Professional Engineer and/or Land Surveyor

*Patrick A. Romero*

Certificate No. **JOHN W. WEST 678**  
**PATRICK A. ROMERO 6663**  
**Ronald J. Eidson 3239**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 7547  
Order No. R-6959

APPLICATION OF ANADARKO PRODUCTION  
COMPANY FOR AN UNORTHODOX OIL WELL  
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Anadarko Production Company, seeks approval of an unorthodox oil well location 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, to test the Grayburg formation, Penrose Skelly Pool, Lea County, New Mexico.
- (3) That the SE/4 NW/4 of said Section 15 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.
- (6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic

loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Anadarko Production Company for an unorthodox oil well location for the Grayburg formation is hereby approved for a well to be located at a point 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico.

(2) That the SE/4 NW/4 of said Section 15 shall be dedicated to the above-described well.

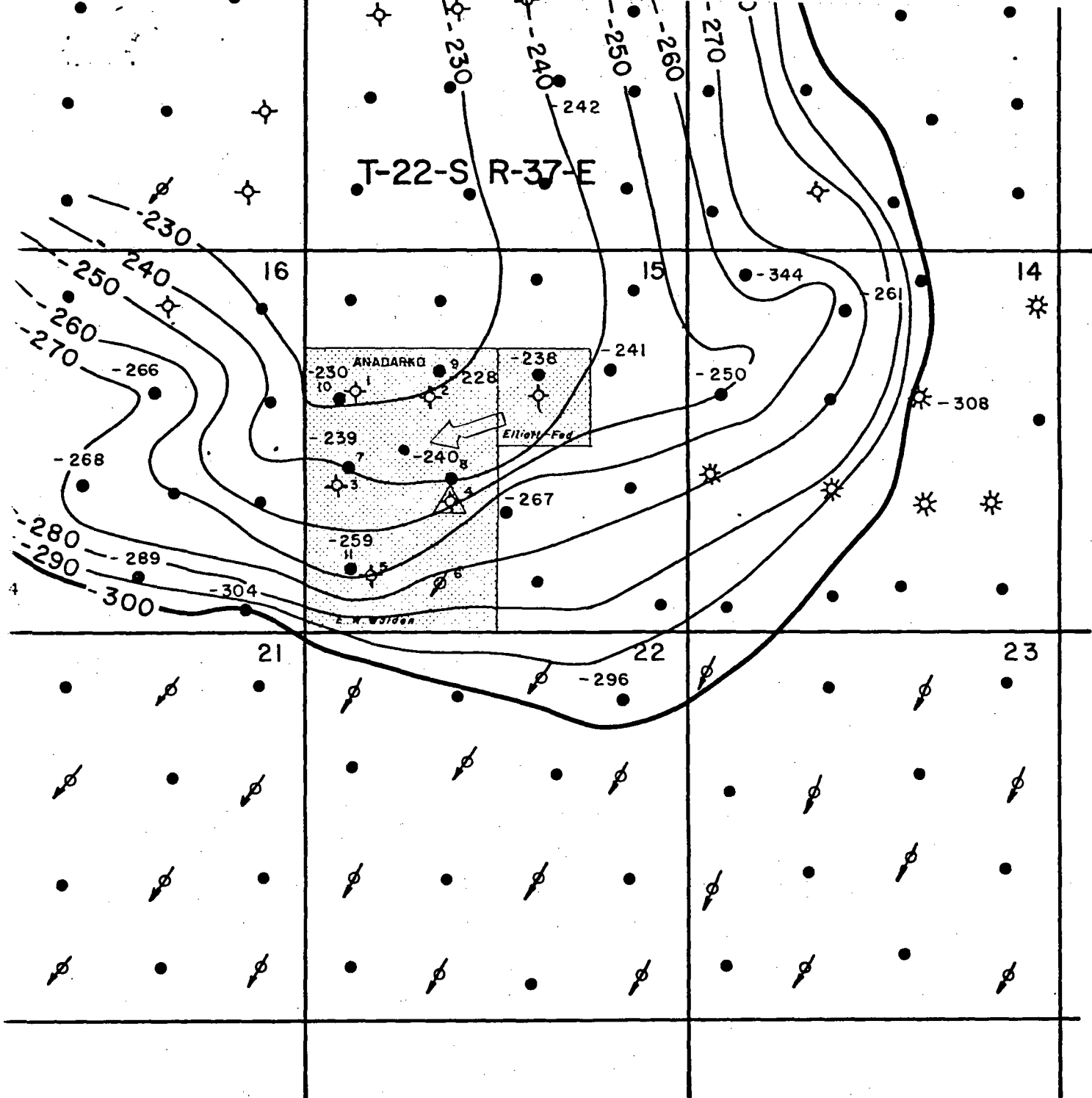
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.


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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director

S E A L



  
**Anadarko**  
 Production Company

**E.W. WALDEN LEASE**  
**Penrose Skelly Field**  
 Lea County, New Mexico

---

**STRUCTURE MAP**  
**TOP OF GRAYBURG**  
 C. I. - 10'

---

Interpretation By: M. O. B.  
 Date: NOV. 1981 Scale: 1" = 2000'

EXHIBIT 3

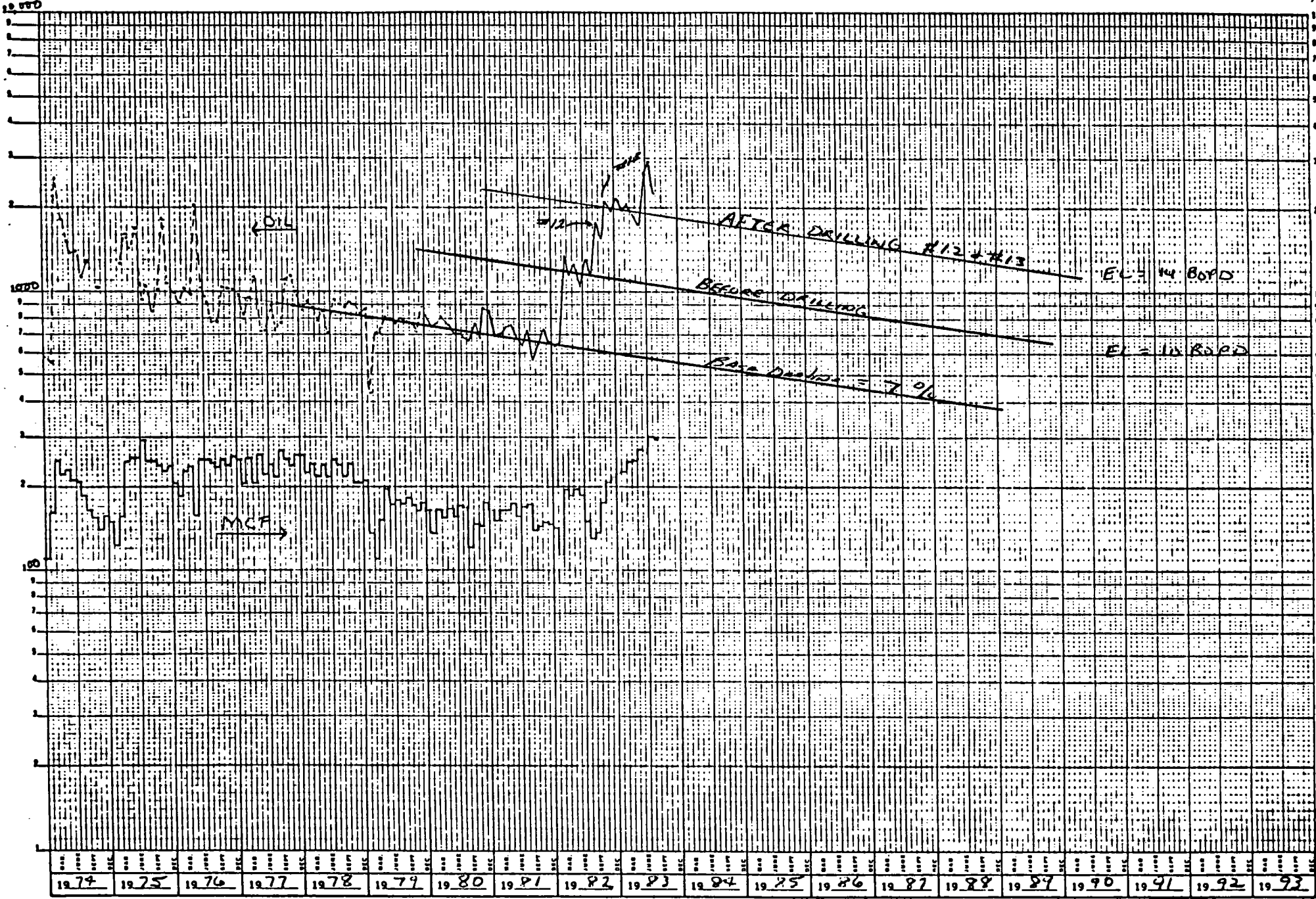


FIELD: Panrose Skelly  
 LEASE/UNIT: EW. Walden "P"  
 NO. WELLS: 5 10

RESERVOIR: Grayburg  
 PERFS: \_\_\_\_\_  
 CO./PH. \_\_\_\_\_

STATE: NM  
 OPERATOR: APC  
 LOCATION: 15-22-37

BBL. OR MCF PER MO



1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993

TIME IN YEARS

3079179 (m)

LEASE NAME E. Walden



October 17, 1983

State of New Mexico  
Energy and Minerals Department  
525 Camino de los Marquez  
Santa Fe, New Mexico 87501

Re: Infill Findings  
E.W. Walden No. 12  
E.W. Walden No. 13  
Lea County, New Mexico

Gentlemen:

Enclosed are the original and one (1) copy of Anadarko Production Company's application for an infill well finding on each of the referenced wells. This information was requested February 21, 1983 and should complete the NGPA applications for the E.W. Walden #12 and #13.

Please contact me if this information does not suffice.

Very truly yours,

ANADARKO PRODUCTION COMPANY

  
Theresa A. Rausheck  
Regulatory Assistant

TAR:bjm  
enclosures

NATURAL GAS POLICY ACT  
INFILL FINDINGS

E. W. Walden No.12

- Rule 5           Forms C101 & C102 (copies attached)
- Rule 6           Penrose Skelly Pool  
                  40 acre proration units
- Rule 7           Division Order #R-6959 (copy attached)
- Rule 8 A-F       Next page
- Rule 8 G         The drainage area, calculated by volumetric analysis,  
                  indicates that the E. W. Walden No.9 has drained ap-  
                  proximately 20 acres. This is supported by low recovery  
                  efficiencies when comparing the EUR to the OOIP.
- Rule 9 A.        Grayburg Structure map (attached).
  - B.           The ultimate recovery on Walden No.12 estimated to be  
              30 MBO. This was calculated by taking a percentage  
              of the Walden lease's incremental EUR after the No.12  
              & No.13 wells were drilled. This percentage was based  
              upon production rates and cumulative recoveries from  
              the two wells.  
  
              E. W. Walden Lease Decline Curves (attached)

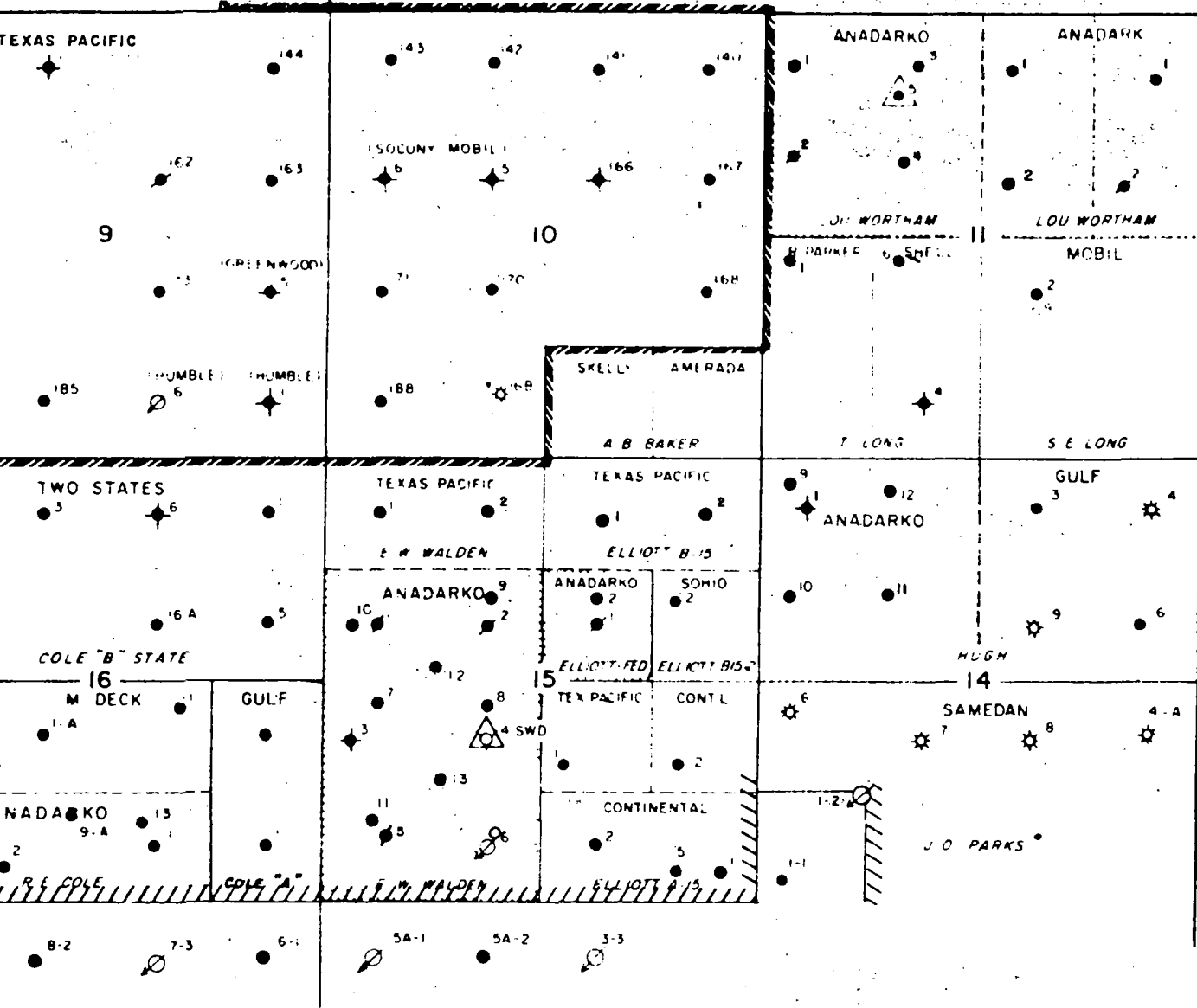
Rule 8 A-f Wells drilled on Proration Unit  
SE/4 NW/4 Section 15, T22S, R37E

E. W. Walden No.12  
2250' FNL & 1350' FWL, Section 15, T22S, R37E  
Lea County, New Mexico  
Spud Date - 5-13-82  
Completion Date - 8-26-82  
Production rate (9-1-83) 5 BOPD & 7 BWPD

E. W. Walden No.2  
1980' FNL & FWL, Section 15, T22S, R37E  
Lea County, New Mexico  
Spud Date - NA  
Completion Date - 1938  
Mechanical Problems - Collapsed Casing  
P&A - 3-1-76  
This well produced from Upper Grayburg


E. W. Walden No.9  
1650' FNL & 1880' FWL, Section 15, T22S, R37E  
Lea County, New Mexico  
Spud Date - 5-29-69  
Completion Date - 7-1-69  
Production rate (9-1-83) 3 BOPD + 28 BWPD

R 37 E



T  
22  
S



  
**Anadarko**  
 Production Company  
**E. W. WALDEN LEASE**  
 LEA CO., NEW MEXICO  
  
**PROPOSED LOCATION**

---

Interpretation By: M. O. B.  
 Date: 4-82 Scale: 1" = 2000'

30-02527756

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-85

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work  
b. Type of Well  
DRILL  DEEPEN  PLUG BACK   
OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

7. Unit Agreement Name  
8. Farm or Lease Name

Name of Operator  
Address of Operator

9. Well No.  
10. Field and Pool, or Wildcat

*Anadarko Production Company*  
Address of Operator

*E.W. Walden*  
12

Location of Well  
UNIT LETTER *F* LOCATED *2250* FEET FROM THE *North* LINE

*Penrose - Skelly*

NO *1350* FEET FROM THE *West* LINE OF SEC. *15* TWP. *22S* RGE. *37E* NMPM

12. County  
*Lea*



19. Proposed Depth *4,000'* 19A. Formation *Grayburg SA* 20. Rotary or C.T. *Rotary*

1. Elevations (Show whether DF, RT, etc.) *3402.6 GR* 21A. Kind & Status Plug. Bond *Blanket* 21B. Drilling Contractor *Warton* 22. Approx. Date Work will start *March 7, 1982*

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8-5/8"	24#	1,150'	450 8x	Circ
7-7/8"	5 1/2"	15.5#	4,600'	570 8x	1,000'

1. Move in and RU Rotary Tools.
2. Drill 11" hole to 1,150' or top of Anhydrite.
3. Run 8-5/8" 24# csg. Cement w/sufficient Class C cement, containing 2% CACL, to circulate.
4. Nipple up, set BOP. Drill out after 12 hrs. w/7-7/8" bit.
5. Drill to approx. 4,000' or 100' into top of San Andres.
6. Run OH Logs.
7. Run 5 1/2" 15.5# csg. to TD. Cement w/Class C cement, using sufficient cement to put TOC @ approx. 1,000' from surface.
8. Complete as Grayburg SA producer.
9. POP.

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 11/6/82  
UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Original signed by: John C. English Title Area Supervisor Date 2/12/82  
(This space for State Use)

APPROVED BY: JERRY SEXTON TITLE: DISTRICT 1 SUPR. DATE: MAY 6 1982

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

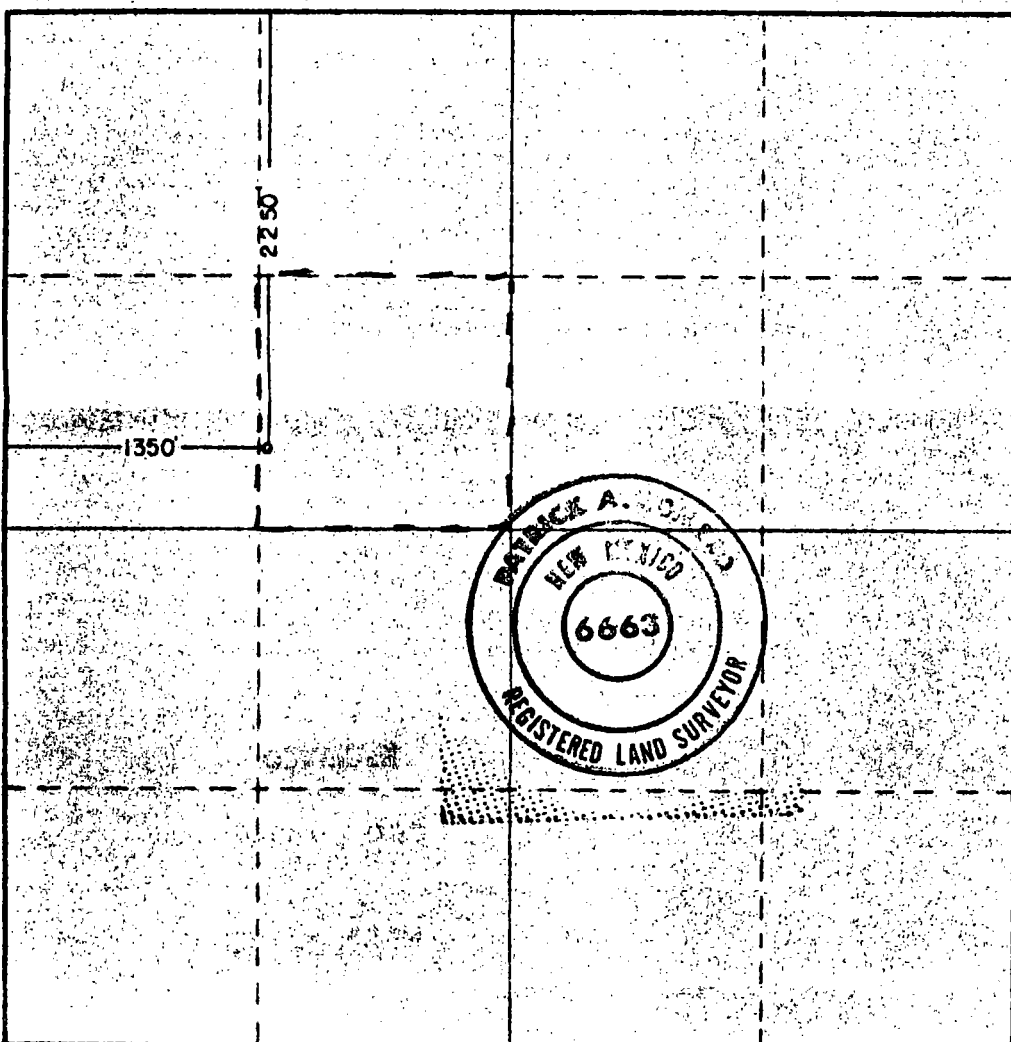
Operator <b>ANADARKO PRODUCTION CO.</b>		Lease <b>E. W. WALDEN</b>		Well No. <b>12</b>
Unit Letter <b>F</b>	Section <b>15</b>	Township <b>22 SOUTH</b>	Range <b>37 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>2250</b> feet from the <b>NORTH</b> line and <b>1350</b> feet from the <b>WEST</b> line				
Ground Level Elev. <b>3402.6</b>	Producing Formation <b>Grayburg SA</b>	Pool <b>Penrose Skelly</b>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

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

Name *John C. English*

John English

Position

Area Supervisor

Company

Anadarko Production Company

Date

February 17, 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

2-11-82

Registered Professional Engineer and/or Land Surveyor

*Patrick A. Romero*

Certificate No **JOHN W. WEST 678**  
**PATRICK A. ROMERO 6663**  
**Ronald J. Eldon 3239**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 7547  
Order No. R-6959

APPLICATION OF ANADARKO PRODUCTION  
COMPANY FOR AN UNORTHODOX OIL WELL  
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 14, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of April, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Anadarko Production Company, seeks approval of an unorthodox oil well location 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, to test the Grayburg formation, Penrose Skelly Pool, Lea County, New Mexico.
- (3) That the SE/4 NW/4 of said Section 15 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.
- (6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject pool, will prevent the economic



loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Anadarko Production Company for an unorthodox oil well location for the Grayburg formation is hereby approved for a well to be located at a point 2550 feet from the North line and 1350 feet from the West line of Section 15, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico.

(2) That the SE/4 NW/4 of said Section 15 shall be dedicated to the above-described well.

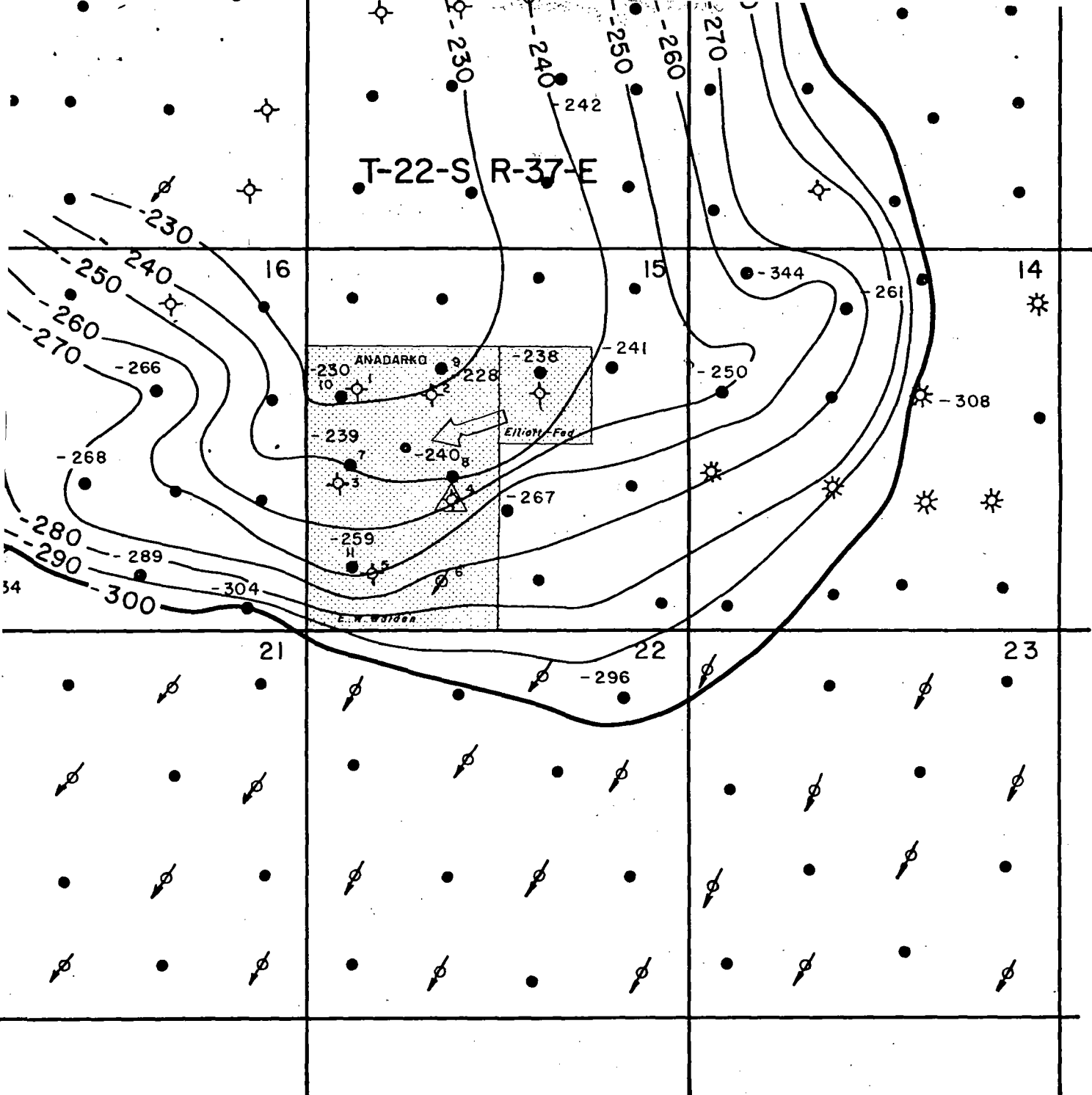
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.


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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director

S E A L



  
**Anadarko**  
 Production Company

**E.W. WALDEN LEASE**  
**Penrose Skelly Field**  
 Lea County, New Mexico

---

**STRUCTURE MAP**  
**TOP OF GRAYBURG**  
C. I. - 10'

---

Interpretation By: M. O. B.  
 Date: NOV. 1981      Scale: 1" = 2000'

EXHIBIT 3

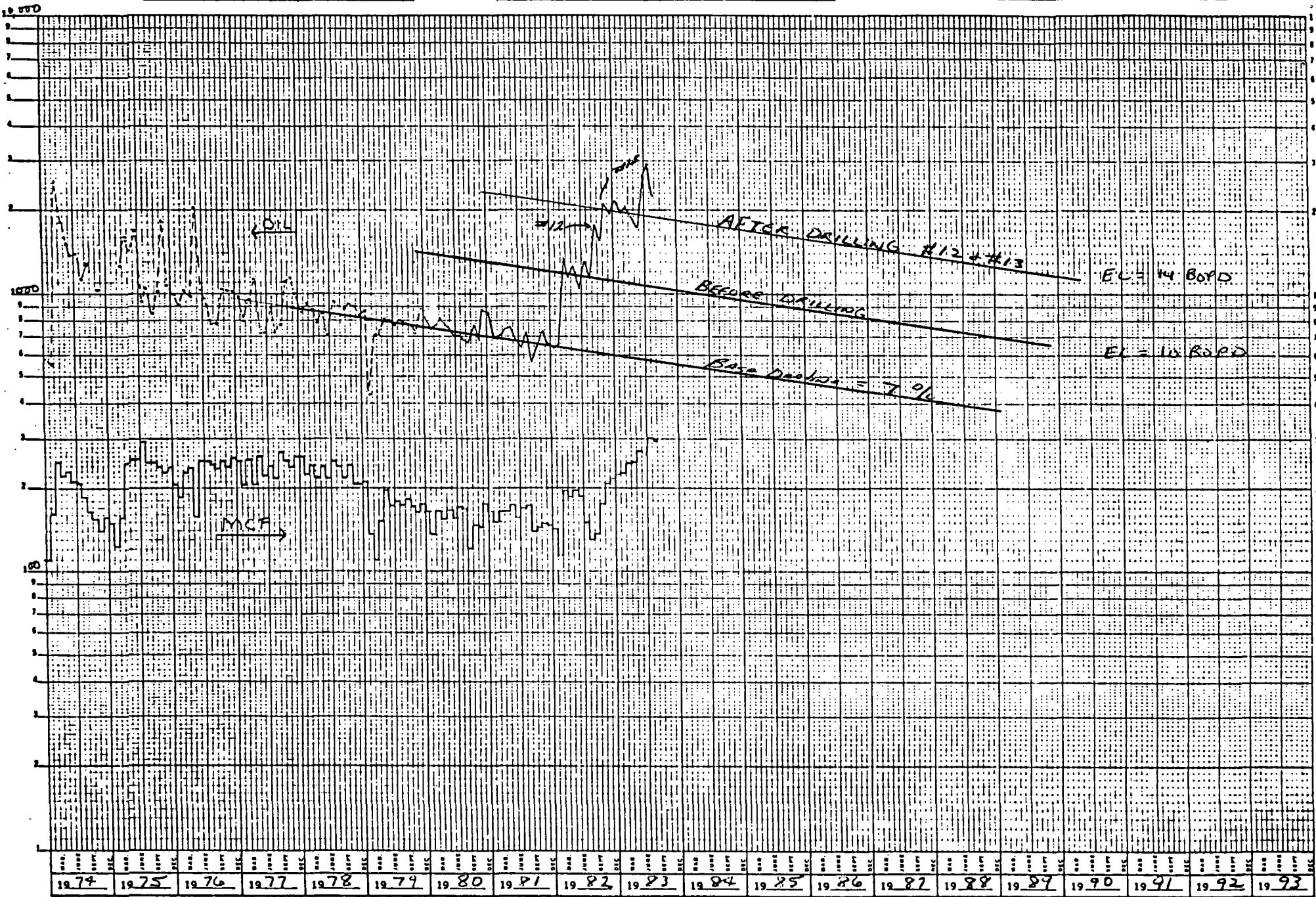
FIELD: PENROSE Skelly  
 LEASE/UNIT: E.W. Walden "P"  
 NO. WELLS: 10

RESERVOIR: GRAYBUNG  
 PERFS: \_\_\_\_\_  
 CO./PH. \_\_\_\_\_

STATE: NM  
 OPERATOR: APC  
 LOCATION: 15-22-37

1-0

BBL. OR MCF PER MO



ACCT. CODE NO. 3029179 (OIL)

LEASE NAME E.W. Walden

WELL NO. \_\_\_\_\_

-4-

SPECIAL RULES AND REGULATIONS  
NATURAL GAS POLICY ACT INFILL FINDINGS  
ADMINISTRATIVE PROCEDURE  
(Amended February 8, 1980)

**A. DEFINITIONS**

**RULE 1.** For purposes of this administrative procedure only, the following definitions are adopted:

- a. Infill well: An additional well which has been drilled for production on an established proration unit.

**B. APPLICABILITY**

**RULE 2.** These special rules and regulations shall apply to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final Rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978. (These special rules and regulations do not apply to infill wells drilled in the Blanco Mesaverde or Basin-Dakota Pools. Infill wells in these two pools are covered by Rule 15 B of the "Special Rules for Applications for Wellhead Price Ceiling Category Determinations" promulgated by Division Order No. R-5878 as amended by Order No. R-5878-A.)

**C. JUSTIFICATION FOR FINDINGS**

**RULE 3.** The Division Director or a Division Examiner may find that an infill well is necessary:

- a. upon a showing by the operator that an additional well is needed to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and
- b. upon receipt of waivers from all offset operators, or if no offset operator has entered an objection to the infill finding within 20 days after receipt of the application by the Director.

**RULE 4.** The Director may set any application for hearing at his discretion or at the request of an applicant.

Exhibit A  
Order R-6013-A

**D. FILING REQUIREMENTS**

**RULE 5.** Each applicant shall submit a copy of the approved Form C-101 for the infill well and Form C-102 showing the proration unit dedicated.

**RULE 6.** Applicant shall give the name of the pool in which the infill well has been drilled and the standard spacing unit size therefor.

**RULE 7.** If applicable, the applicant shall give the number of the Division order approving the non-standard proration unit dedicated to the well.

**RULE 8.** The applicant shall submit a description of all wells drilled on the proration unit (including the completed infill well) which are or have been completed in the same pool or reservoir as the proposed infill well showing:

- a. lease name and well location;
- b. spud date;
- c. completion date;
- d. a description of any mechanical problems experienced along with a summary of remedial action(s) taken and the results obtained;
- e. the current rate of production/ and
- f. date of plug and abandonment, if any;
- g. a clear and concise statement indicating why the existing well(s) on the proration cannot effectively and efficiently drain the portion of the reservoir covered by the proration unit.

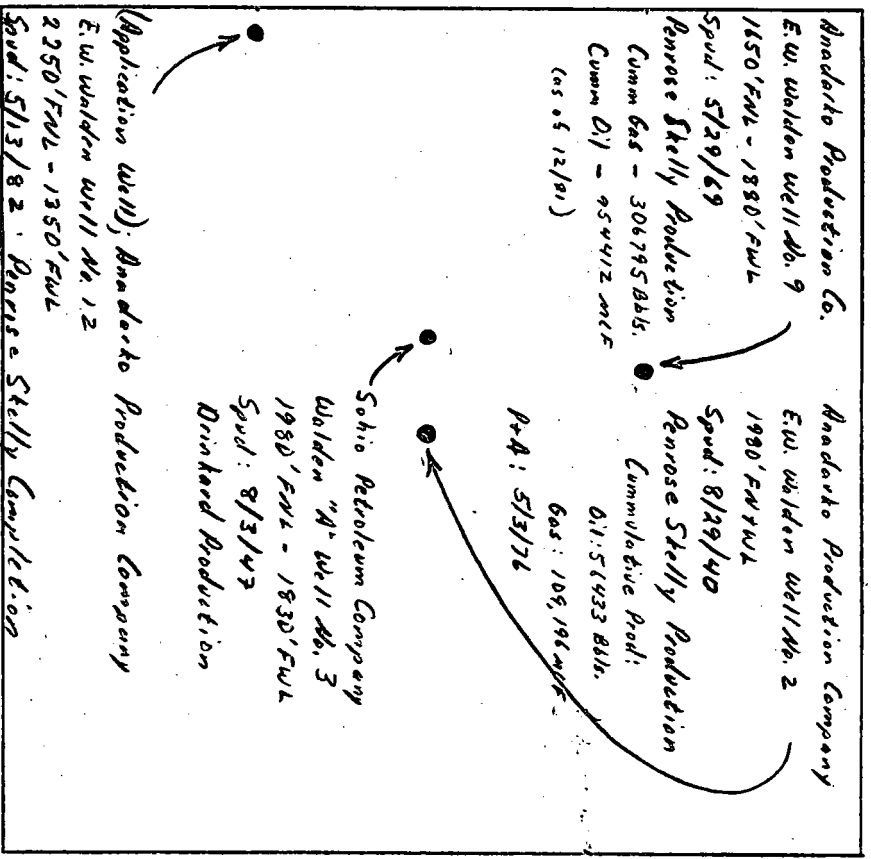
**RULE 9.** The applicant shall submit geological and engineering information sufficient to support a finding as to the necessity for an infill well including:

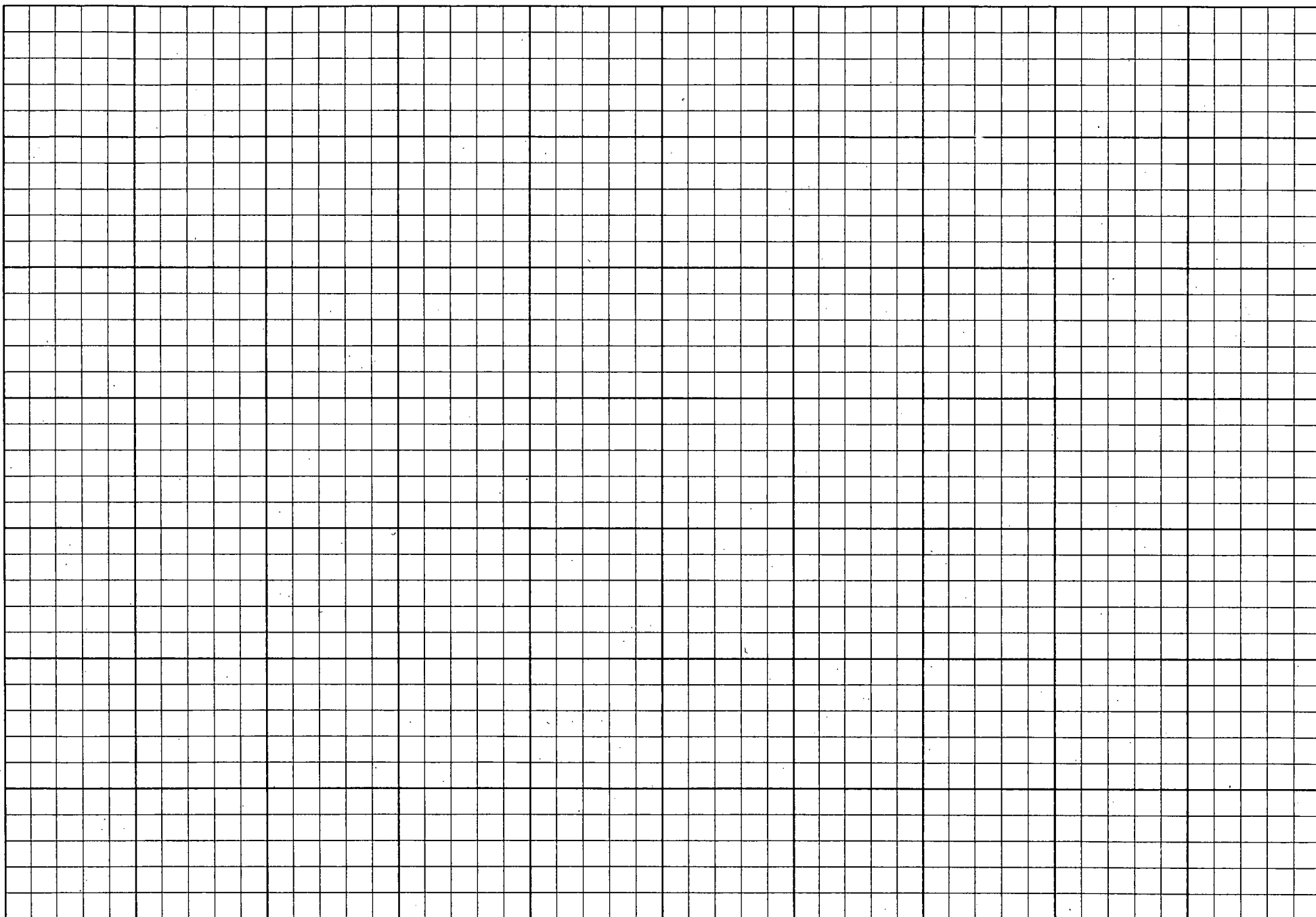
- a. formation structure map
- b. the volume of increased ultimate recovery expected to be obtained and a narrative describing how the increase was determined
- c. any other supporting data which the applicant deems to be relevant which may include:
  - (1) porosity and permeability factors
  - (2) production/pressure decline curves
  - (3) effects of secondary recovery or pressure maintenance operations

**RULE 10.** Applications for infill findings shall be filed in duplicate with the Santa Fe office of the Division.

**RULE 11.** All operators of proration or spacing units offsetting the unit for which an infill finding is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given.

NEPA Section 103 Application  
Anadarko Production Company  
E.W. Walden Well No. 12  
Unit F, Section 15, Township 22 South, Range 37 East,  
Deer County, New Mexico







October 17, 1983

State of New Mexico  
Energy and Minerals Department  
525 Camino de los Marquez  
Santa Fe, New Mexico 87501

Re: Infill Findings  
E.W. Walden No. 12  
E.W. Walden No. 13  
Lea County, New Mexico

Gentlemen:

Enclosed are the original and one (1) copy of Anadarko Production Company's application for an infill well finding on each of the referenced wells. This information was requested February 21, 1983 and should complete the NGPA applications for the E.W. Walden #12 and #13.

Please contact me if this information does not suffice.

Very truly yours,

ANADARKO PRODUCTION COMPANY

*Theresa A. Rausheck*

Theresa A. Rausheck  
Regulatory Assistant

713-820-1101

TAR:bjm  
enclosures

*Application  
lacks notice to  
all offset  
operators*

MONTHLY TOTALS ARE THRU MONTH OF DECEMBER  
 MONTHLY TOTALS ARE ADDED TO CUMULATIVE TOTALS

WELL	T	R	YR.	OIL MP	YR.	WATER	YR.	GAS O-G	CUM OIL	CUM WATER	CUM GAS ST.	POOL NAME	OPERATOR	LEASE NAME
LEA COUNTY														
7015	22S37E			313	F	180		12334	63337	4195	1322963	DRINKARD	*SUN OIL COMP	E W WALDEN * P
1015	22S37E			804	P	2304		15794	149742	45440	678304	PENROSE SKELLY	*SUN OIL COMP	E W WALDEN * P
6015	22S37E					334		39955		1034	1149059	EUMONT YATES	*SUN OIL COMP	E W WALDEN * P
10E15	22S37E			1418	P	20551		27639	31867	381943	824909	PENROSE SKELLY	*ANADARKO PRO	E W WALDEN * P
4E15	22S37E									80	40088	FOLLOWING WELL PLUGGED AND ABANDONED 1975		
1E15	22S37E										445297	BRUNSON ELLENB	*SOHIO PETROL	*WALDEN A * P
5E15	22S37E			1281	P	802		13256	68666	35635	216515	FOLLOWING WELL PLUGGED AND ABANDONED 1976		
4E15	22S37E			968	P	365		22788	67358	7076	143912	DRINKARD	*SOHIO NATURA	*WALDEN A * P
9F15	22S37E			1698	P	19322		34900	10652	2281	954412	HARE SIMPSON	*SOHIO NATURA	*WALDEN A * P
2F15	22S37E										109196	PENROSE SKELLY	*ANADARKO PRO	E W WALDEN * P
3F15	22S37E			2641	P	3150		19782	143526	45480	409178	FOLLOWING WELL RECOMPLETED TO DRINKARD		
1G15	22S37E										110061	TUBB OIL AND	G*CONTINENTAL	*ELLIOTT B 15 * F
1G15	22S37E										101691	FOLLOWING WELL PLUGGED AND ABANDONED 1976		
1G15	22S37E										94141	PENROSE SKELLY	*ANADARKO PRO	*ELLIOTT FEDERAL * F
2G15	22S37E			777	P	8826		20104	27499	315099	316623	DRINKARD	*CONOCO, INC.	*ELLIOTT B 15 * F
1H15	22S37E										11061	FOLLOWING WELL RECOMPLETED TO PADDOCK		
98H15	22S37E										28196	PENROSE SKELLY	*SOHIO NATURA	*ELLIOTT B 15 * F
2H15	22S37E			1866	P	2988		18909	14846	970	458156	DRINKARD	*CONOCO, INC.	*ELLIOTT B 15 * F
2H15	22S37E			278	P	723		31	513	1185	6633	FOLLOWING WELL RECOMPLETED TO DRINKARD		
3H15	22S37E										1410306	BRUNSON ELLENB	*CONTINENTAL	*ELLIOTT B 15 * F
2I15	22S37E										485	TUBB OIL AND	G*CONOCO, INC.	*ELLIOTT B 15 COM*CF
3I15	22S37E			399	F			35310	41004	485	1559289	FOLLOWING WELL ZONE ABANDONED		
1J15	22S37E										377642	BRUNSON ELLENB	*TEXAS PACIFI	*ELLIOTT A 15 * F
2J15	22S37E										2612212	DRINKARD	*SUN OIL COMP	*ELLIOTT A 15 * FF
1J15	22S37E			3508	P	5162		5232	130715	184200	177693	FOLLOWING WELL CONVERTED TO A SALT WATER DISPOSAL WELL		
4K15	22S37E										46847	PENROSE SKELLY	*ANADARKO PRO	E W WALDEN * P
2K15	22S37E			145	F			87237	76445	920	726177	BLINEBRY OIL	A*AMERADA HESS	E W WALDEN * P
2K15	22S37E										534990	DRINKARD	*AMERADA HESS	E W WALDEN * P
1K15	22S37E			2579	P	1289		29600	2618	14389	286324	BRUNSON ELLENB	*AMERADA HESS	E W WALDEN * P
8K15	22S37E			1507	P	10555		26408	42169	427668	450112	PENROSE SKELLY	*ANADARKO PRO	E W WALDEN * P
5L15	22S37E										82667	FOLLOWING WELL RECOMPLETED TO DRINKARD		
4L15	22S37E										134655	BRUNSON ELLENB	*AMERADA HESS	E W WALDEN * P
3L15	22S37E										57540	FOLLOWING WELL PLUGGED AND ABANDONED 1969		
4L15	22S37E										119404	PENROSE SKELLY	*ANADARKO PRO	E W WALDEN * P
7L15	22S37E			1276	P	7303		20317	22935	371241	496762	DRINKARD	*AMERADA HESS	E W WALDEN * P
5L15	22S37E			1077	F			13797	51209	439	449905	TUBB OIL AND	G*AMERADA HESS	E W WALDEN * P
11M15	22S37E			2533	P	61664		79929	23167	384986	196812	PENROSE SKELLY	*ANADARKO PRO	E W WALDEN * P
5M15	22S37E										206164	FOLLOWING WELL PLUGGED AND ABANDONED 1976		
6M15	22S37E										394913	PENROSE SKELLY	*ANADARKO PRO	E W WALDEN * P
6M15	22S37E										27772	DRINKARD	*AMERADA HESS	E W WALDEN * P
3N15	22S37E										178058	TUBB OIL AND	G*AMERADA HESS	E W WALDEN * P
7N15	22S37E										2503	FOLLOWING WELL ZONE ABANDONED		
7N15	22S37E										143396	BRUNSON ELLENB	*AMERADA HESS	E W WALDEN * P
6N15	22S37E										2443664	BLINEBRY OIL	A*AMERADA HESS	E W WALDEN * P
3N15	22S37E										75293	DRINKARD	*AMERADA HESS	E W WALDEN * P
4015	22S37E										15	PENROSE SKELLY	*ANADARKO PRO	E W WALDEN * P
3015	22S37E										131150	TUBB OIL AND	G*AMERADA HESS	E W WALDEN * F
2015	22S37E										24896	DRINKARD	*CONOCO, INC.	*ELLIOTT A 15 * F
6P15	22S37E			214	F	112		3787	1416	6153	1023539	BRUNSON ELLENB	*CONOCO, INC.	*ELLIOTT A 15 * F
6P15	22S37E			222	F			5086	143229	9951	270363	PENROSE SKELLY	*CONOCO, INC.	*ELLIOTT A 15 COM*CF
6P15	22S37E			6155	P	6837		18350	492931	53764	318298	BLINEBRY OIL	A*CONOCO, INC.	*ELLIOTT A 15 * F
6P15	22S37E			2100	P	7803		3710	118627	27337	4736379	DRINKARD	*CONOCO, INC.	*ELLIOTT A 15 * F
6P15	22S37E			406	F			18155	24580	1106	1256807	BRUNSON ELLENB	*CONOCO, INC.	*ELLIOTT A 15 * P
5P15	22S37E			910	P	280		13332	114194	24864	210237	PENROSE SKELLY	*CONOCO, INC.	*ELLIOTT A 15 * P
1P15	22S37E										89433	FOLLOWING WELL RECOMPLETED TO DRINKARD		
4A16	22S37E										137976	HARE SIMPSON	*GULF OIL COR	*R E COLE NCT A * S

Burroughs Form N 9111



RECORD OF DRILL-STEM AND SPECIAL TESTS

If drill-stem or other special tests or deviation surveys were made, submit report on separate sheet and attach hereto

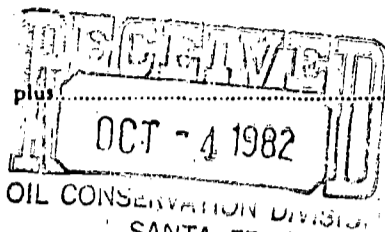
TOOLS USED

Rotary tools were used from 0 feet to 4026 feet, and from feet to feet.  
 Cable tools were used from feet to feet, and from feet to feet.

PRODUCTION

Put to Producing June 21, 1953, 19  
 OIL WELL: The production during the first 24 hours was 363.12 barrels of liquid of which 99.41% was oil; % was emulsion; .40% water; and .19% was sediment. A.P.I. Gravity 30 Corrected

GAS WELL: The production during the first 24 hours was M.C.F. plus barrels of liquid Hydrocarbon. Shut in Pressure lbs.



Length of Time Shut in

PLEASE INDICATE BELOW FORMATION TOPS (IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE):

Southeastern New Mexico

Northwestern New Mexico

T. Anhy. 1609	T. Devonian	T. Ojo Alamo
T. Salt 1728	T. Silurian	T. Kirtland-Fruitland
B. Salt 3067	T. Montoya	T. Farmington
T. Yates 3303	T. Simpson	T. Pictured Cliffs
T. 7 Rivers	T. McKee	T. Menefee
T. Queen (Sand Section) 3720	T. Ellenburger	T. Point Lookout
T. Grayburg	T. Gr. Wash	T. Mancos
T. San Andres	T. Granite	T. Dakota
T. Glorieta	T.	T. Morrison
T. Drinkard	T.	T. Penn.
T. Tubbs	T.	T.
T. Abo	T.	T.
T. Penn.	T.	T.
T. Miss.	T.	T.

FORMATION RECORD

From	To	Thickness in Feet	Formation	From	To	Thickness in Feet	Formation
0	1609	1609	Sand and Shale				
1609	1728	119	Anhydrite				
1728	3067	1339	Anhydrite, Salt & Shale				
3067	3600	533	Sand & Shale				
3600	4026	426	Lime, Sand & Shale				
<u>Drill Stem Tests</u>							
D.S.T. #1	- From 3387' to 3688' - 3 hr test, had mud up in 12 min., mud up in 15 min. No oil to surface. Gas Vol., 3,558,000 cu ft p/d. Recovered 165' salty sulphur water						
D.S.T. #2	- From 3688' to 3824' - 4 hr test. Gas Vol. too small to measure. Recovered 110' hvy gas cut drlg mud w/trace of oil, 510' hvy gas cut drlg mud, est 15% oil and 31' hvy gas cut drlg mud, est 25% oil						
D.S.T. #3	- From 3824' to 3894' - 4 hr test - No gas or fluid to surface. Recovered 238' slightly gas cut drlg mud w/trace of oil						
D.S.T. #4	- From 3892' to 3966' - 1 hr and 15 min test - No gas or fluid to surface. Recovered 270' slightly gas cut drlg mud -						
							<u>Slope Tests</u>
						600'	-1/2 deg
						900	-1/4
						1400	-1/2
						2060	2-
						2539	2-
						2800	3-1/4
						3100	3-1/2
						3190	3-
						3320	2-3/4
						3510	2-
						3600	1-3/4
						3820	1-

ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED

I hereby swear or affirm that the information given herewith is a complete and correct record of the well and all work done on it so far as can be determined from available records.

July 5, 1953

Company or Operator Averada Petroleum Corporation

Address Drawer D, Monument, New Mexico

Name *Dr. Taylor*

Position or Title Assistant District Superintendent