STATE OF NEW MEXICO



ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION November 3, 1986

TONEY 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-143

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. 13, located 1450 feet from the South line and 1400 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 in 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 waver 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 NE/4 SW/4 (Unit K) of Section 15, Township 22 South, Range 37 East, is currently dedicated to the applicant's E.W. Walden Well No. 8 also located in Unit K of said Section.
- (5) Said unit is <u>not</u> 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. 13 as described above, as an infill well on the existing 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) 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

Martin 1997

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

NATURAL GAS POLICY ACT INFILL FINDINGS

E. W. Walden No.13

Rule 5 Forms C101 & C102 (copies attached)

Rule 6 Penrose Skelly Pool

40 acre proration units

Rule 7 Division Order #R-6950 (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.8 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 the Walden No.13 is estimated to be 59 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.

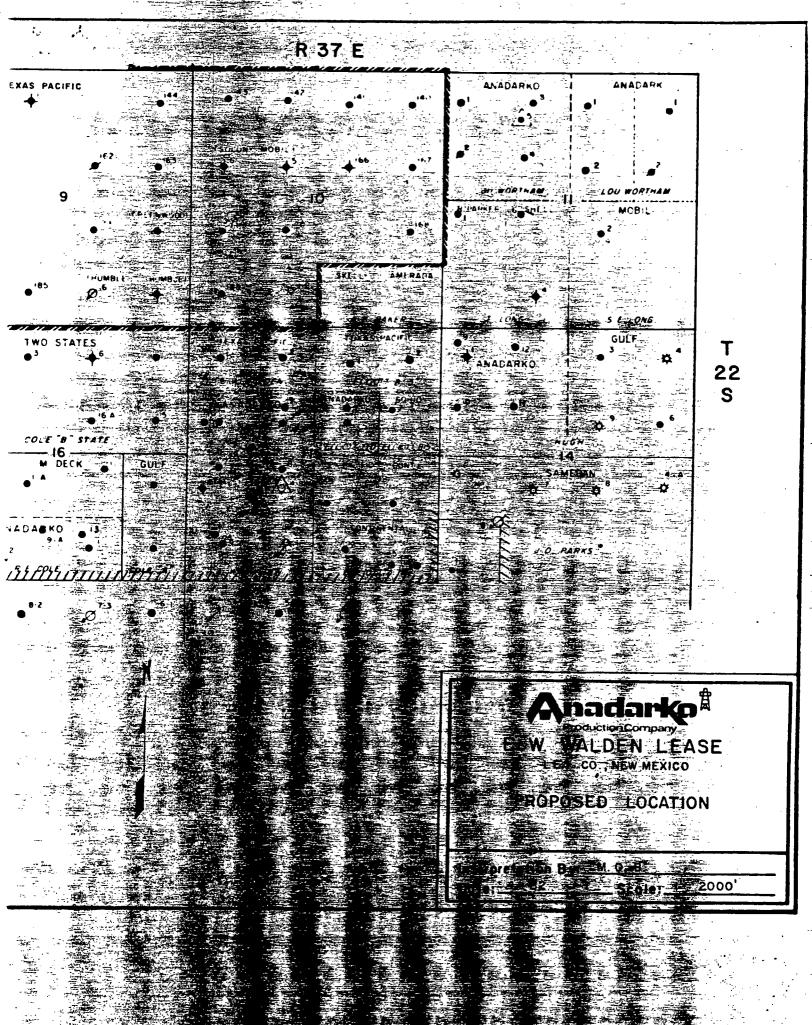
E. W. Walden Lease Decline Curves (attached).

Rule 8 A-F Wells drilled on Proration Unit NE/4 SW/4 Section 15, T22S, R37E

E. W. Walden No.13
1450' FSL & 1400' FWL, Section 15, T22S, R37E
Lea County, New Mexico
Spud Date - 10-25-82
Completion Date - 11-14-82
Production rate (9-18-83) 18 BOPD + 20 BWPD

E. W. Walden No.4
1980' FWL & FSL, Section 15, T22S, R37E
Lea County, New Mexico
Spud Date - NA
Completion Date - 1937
Deepened to 4823 and converted to salt water disposal in 1969.
Well produced from Upper Grayburg.

E. W. Walden No.8
1980' FWL & 2280' FSL, Section 15, T22S, R37E
Lea County, New Mexico
Spud Date - 1-28-69
Completion Date - 2-15-69
Production rate (9-1-83) 7 BOPD + 62 BWPD



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E.W. Walden #13

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C -122 Supervedes C-128 Tile tive 14-65

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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. 7517 Order No. R-6950

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 1450 feet from the South line and 1400 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 NE/4 SW/4 of said Section 5 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 1450 feet from the South line and 1400 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 NE/4 SW/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.

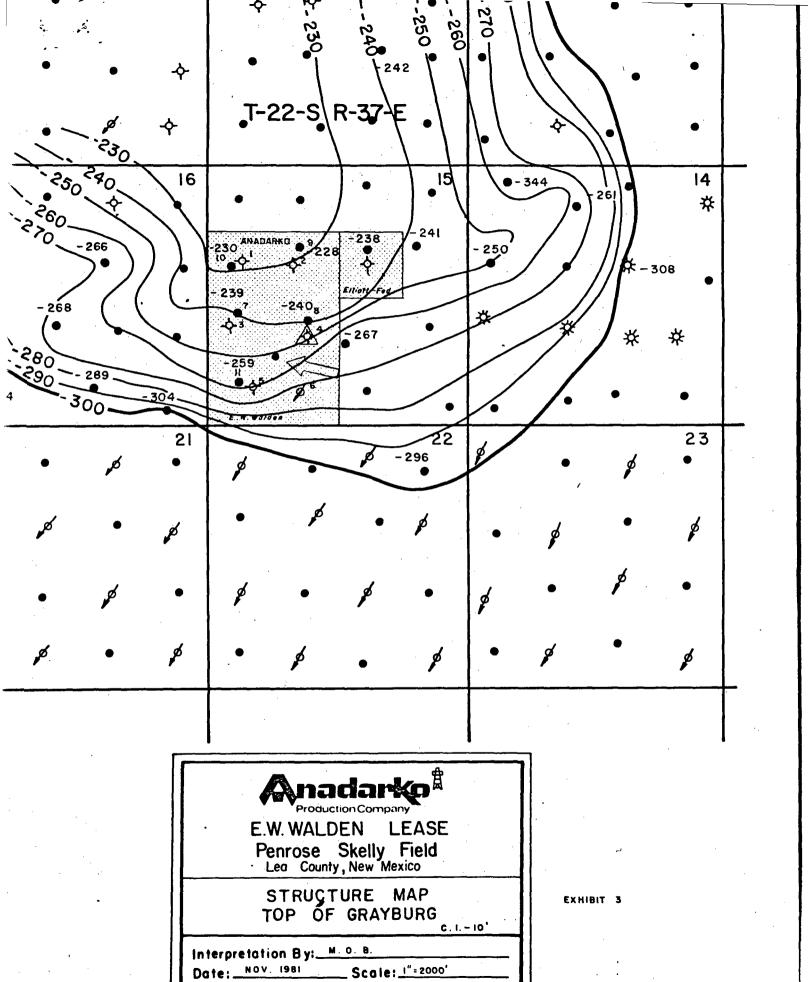
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY

Director

SEAL



___ Scale: 1" = 2000'

RESERVOIR: JEAYBUILLE FIELD: PRNROSE Skelly
LEASE/UNIT: EW. Walden "P" OPERATOR: APC NO. WELLS: TIME IN YEARS X1.1 11/2/1/21

2070170

Conservation

Division

E.W. Walden MERA Section 103 Approaching Anadarko Production Unit K, Section Woll No. 13

22 Soveh Range 37 East

* Anadarko Production Company E.W. Walden Well No. 8

Spud: 1/28/69

1280' FSL - 1980' FWL

Penrose Stelly Grayburg

Cummulative Prod:

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2009 FSL - 1911 FWL

Spud: 4/9/47 Blinebry / Drinkand

Amerada E. W. Wolden Will No. 1 Hoss

1908 FSYWL

pud: 2/3/47

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F.W. Walden Well No. Production Company

Spud: 5/1/37 1980'FSL - 1980'FWL

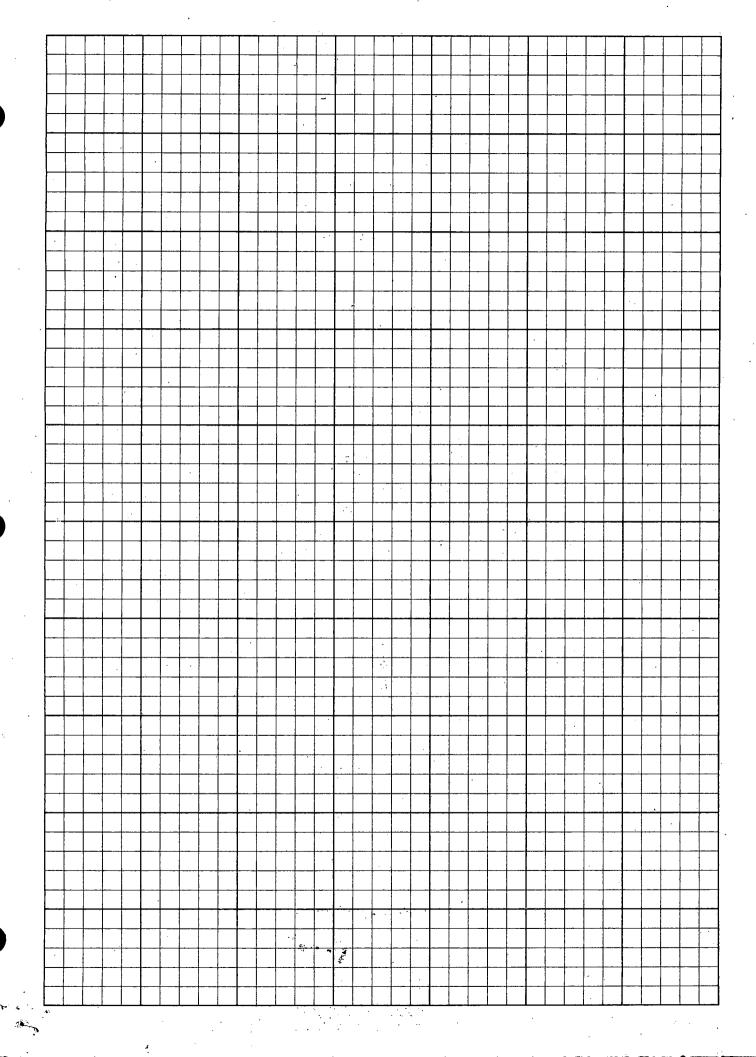
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NATURAL GAS POLICY ACT INFILL FINDINGS

E. W. Walden No.13

Rule 5 Forms C101 & C102 (copies attached)

Rule 6 Penrose Skelly Pool
40 acre proration units

Rule 7 Division Order #R-6950 (copy attached)

Rule 8 A-F Next page

The drainage area, calculated by volumetric analysis, indicates that the E. W. Walden No.8 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 the Walden No.13 is estimated to be 59 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 NE/4 SW/4 Section 15, T22S, R37E

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1450' FSL & 1400' FWL, Section 15, T22S, R37E
Lea County, New Mexico
Spud Date - 10-25-82
Completion Date - 11-14-82
Production rate (9-18-83) 18 BOPD + 20 BWPD

E. W. Walden No.4
1980' FWL & FSL, Section 15, T22S, R37E
Lea County, New Mexico
Spud Date - NA
Completion Date - 1937
Deepened to 4823 and converted to salt water disposal in 1969.
Well produced from Upper Grayburg.

E. W. Walden No.8
1980' FWL & 2280' FSL, Section 15, T22S, R37E
Lea County, New Mexico
Spud Date - 1-28-69
Completion Date - 2-15-69
Production rate (9-1-83) 7 BOPD + 62 BWPD

R 37 E 10 MOBIL 1 LONG S E LONG A B BAKER GULF ● ;2 T ANADARKO 22 # WALDEN S COLE "B" STATE ELLICIT FED ELLICIT BIS - 16 ---SAMEDAN CONTINENTAL Production Company E.W. WALDEN LEASE LEA CO., NEW MEXICO PROPOSED LOCATION Interpretation By: M.O.B.

21. Elevations (Show whether DF, RT, etc.) 21A. Kind 6 Status Plug. Bond 21B. Drilling Contractor 22. Approx. Date Wo Nov 1, -19 23. PROPOSED CASING AND CEMENT PROGRAM SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH SACKS OF CEMENT 11" 8-5/8" 24# 1150' 500 8x Setting Setting Depth Sacks Of CEMENT Setting Depth Sacks O	
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ANDIVIANT AR ADDIVAGA, THE WALL TIPP	1982

E.W. Walden #13

Exhibit E

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C+122 Supersedes C-128 File tive 1-1-65

	Ail du e	ioni so must be frui	m the outer boundaries of	the Section	· •	
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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. 7517 Order No. R-6950

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 1450 feet from the South line and 1400 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 NE/4 SW/4 of said Section 5 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 1450 feet from the South line and 1400 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 NE/4 SW/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.

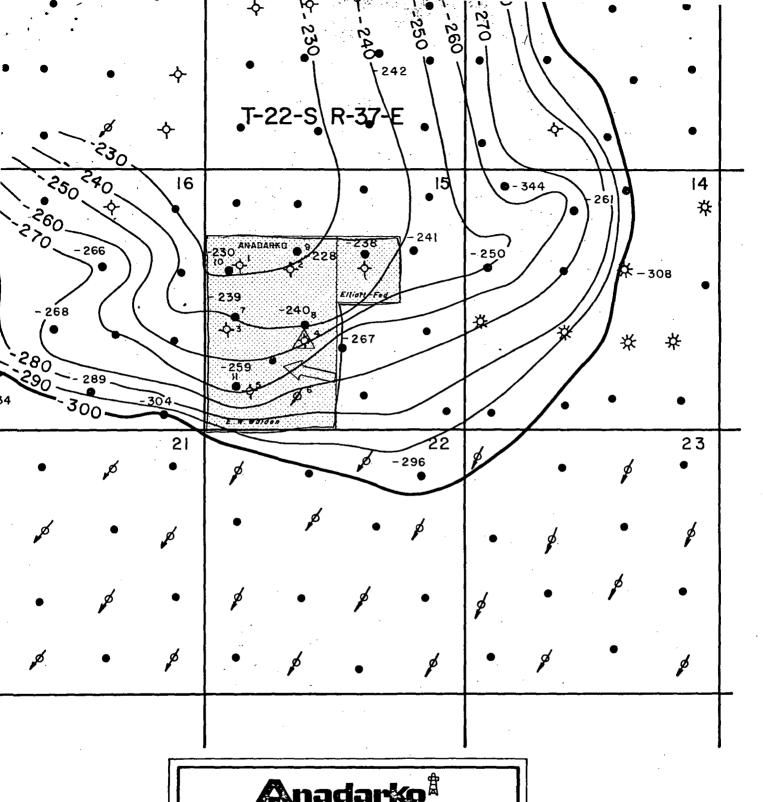
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY

Director

SEAL





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

STRUCTURE MAP TOP OF GRAYBURG

Interpretation By: M.O.B.

Scale: 1"= 2000'

EXHIBIT 3

FIELD: PENROSE Skelly RESERVOIR: GRAYBURG
LEASE/UNIT: E.W. Walden "P" PERFS: NO. WELLS: 10 200 19 84 TIME IN YEARS LEASE NAME E.W. Walden

WELL NO.

3029179 (012)