



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-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 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 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 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.

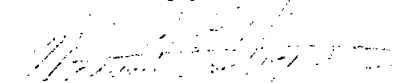
(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the E.W. Walden Well No. 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

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 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 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

R 37 E

T
22
S



ANADARKO
Production Company

E. W. WALDEN LEASE
LEWIS COUNTY, NEW MEXICO

PROPOSED LOCATION

Interpretation By: M. O. [illegible]
Date: 12-12-82 Scale: 1" = 2000'

McLeod-Sto 431
10-18-82
E.W. Walden #13
Exhibit B

30-025-27956

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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 ☐ FEDERAL ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name E.W. Walden
2. Name of Operator Anadarko Production Company		9. Well No. #13
3. Address of Operator P.O. Box 806, Eunice, NM 88231		10. Field and Pool, or Wildcat Penrose-Skelley
4. Location of Well UNIT LETTER <u>K</u> LOCATED <u>1450</u> FEET FROM THE <u>South</u> LINE AND <u>1400</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>15</u> TWP. <u>22S</u> RGE. <u>37E</u> NMPM		12. County Lea
19. Proposed Depth 4000'		19A. Formation Penrose-Grayburg
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 3392.3 GL
21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor Unknown
22. Approx. Date Work will start Nov 1, 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#	1150'	500 8x	Surface
7-7/8"	5-1/2"	15.5#	4000'	600 8x	1000'

1. Move in and RU Rotary Tools.
2. Drill 11" hole to 1150' or top of Anhydrite.
3. Run 1150' 8-5/8" 24# csg. Circ cement (Class "C" w/2% CaCl).
4. Nipple up. Set BOP. Drill out after 12 hrs w/7-7/8" bit.
5. Drill to 4000' or 100' into top of San Andres.
6. Run 4000' of 5-1/2" 15.5# csg to TD. Cement w/Class "C" Cement, using sufficient cement to put TOC approximately 1000' from surface.
7. Run Gamma Ray Neutron Logs.
8. Complete as Grayburg producer.
9. POP..

Order # R-6950 for Unorthodox location dated 4-28-82

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 1/7/83
UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUS BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE 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 Howard D. Schmitt Title Production Foreman

Date 10-4-82

(This space for State Use)

SIGNATURE SIGNED BY

JERRY SEXTON

TITLE

DATE

OCT 7 1982

APPROVED BY

DISTRICT 1 SUPR.

CONDITIONS OF APPROVAL, IF ANY.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102
Supersedes C-128
File Use 1-1-65

All distances must be from the outer boundaries of the Section

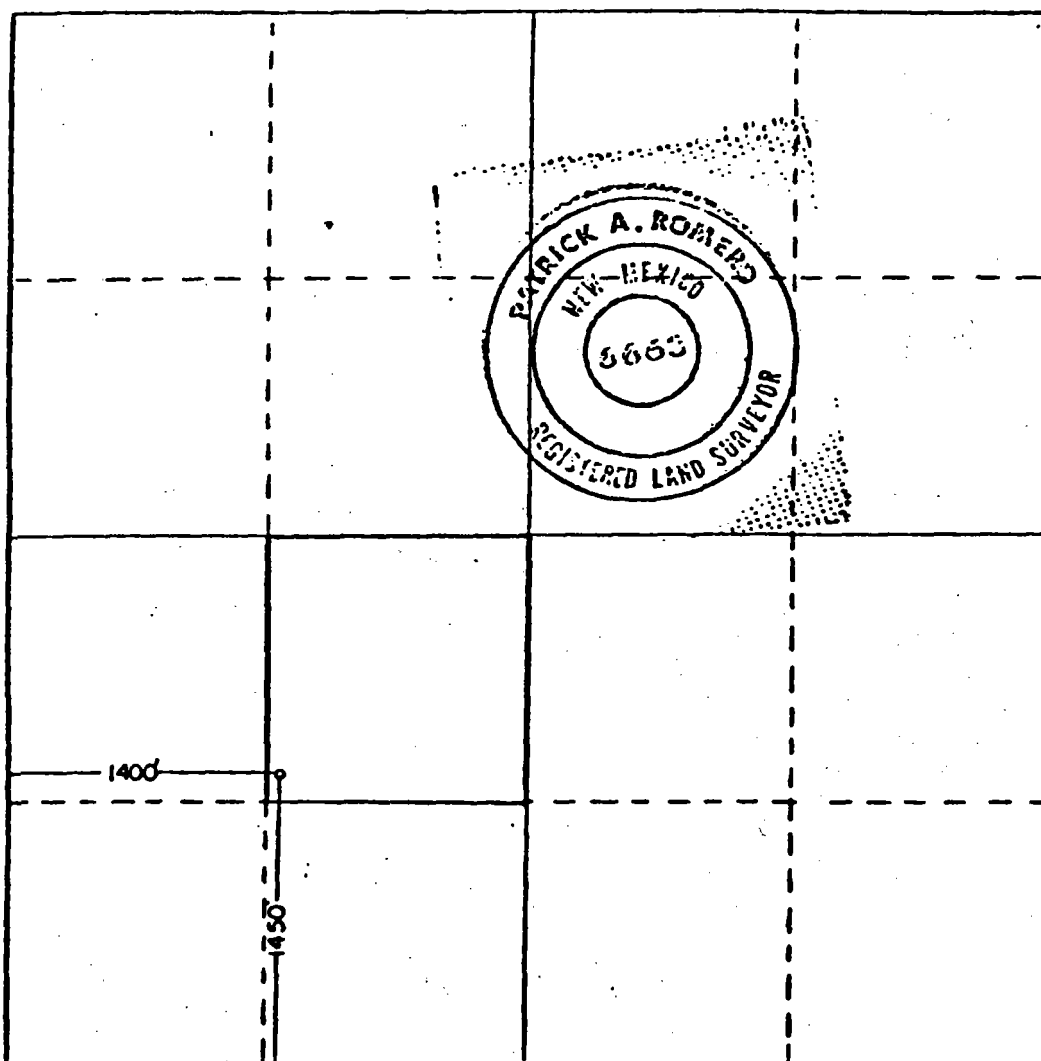
ANADARKO PRODUCTION CO.			E. W. WALDEN			Well No. 13		
Section	15	Township	22 SOUTH	Range	37 EAST	County LEA		
Actual Footage Location of Well:								
1450			SOUTH			1400		
feet from the			line and			feet from the WEST line		
Ground Level Elev. 3392.3			Producing Formation Grayburg			Pool Penrose-Skelly		
						Dedicated Acreage: 40 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.

Name *Howard D. Harkins*

Position Production Foreman

Company Anadarko Production Co.

Date October 4, 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

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.

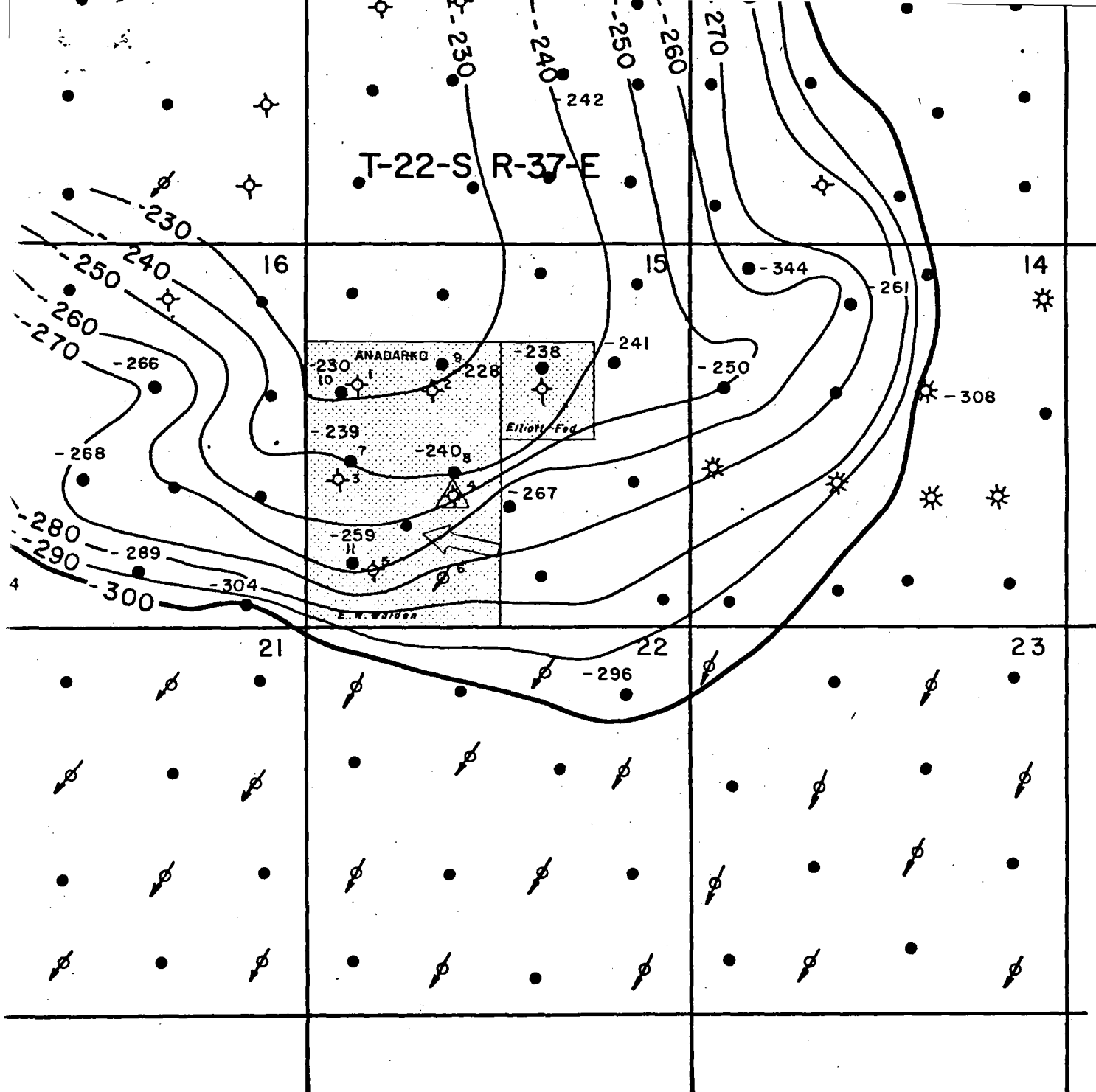
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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

NO. WELLS: 5 10

RESERVOIR: GRAYBUNG

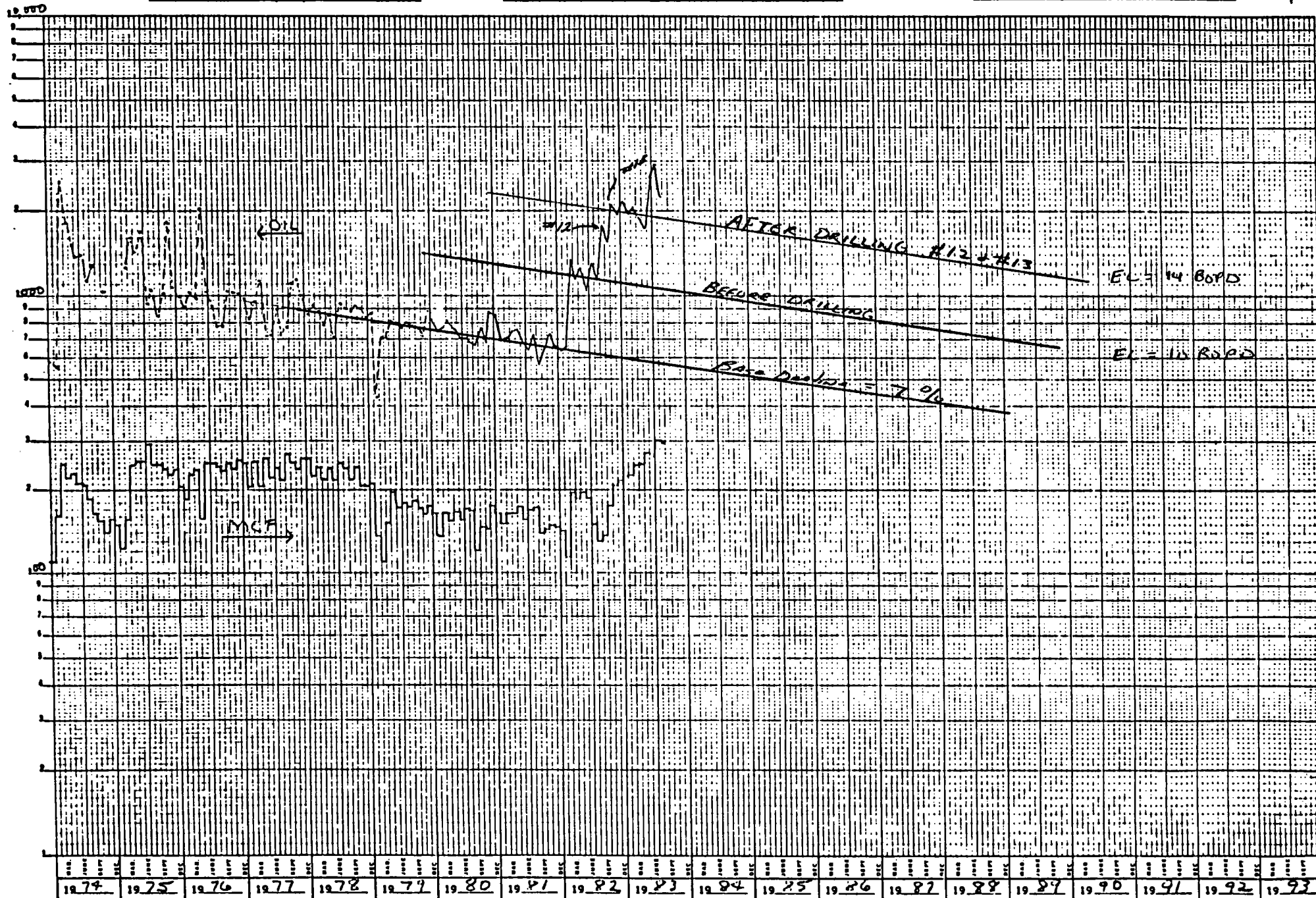
PERFS: _____

CO./PH. _____

STATE: nm

OPERATOR: APC

LOCATION: 15-22-37



TIME IN YEARS

NEPA Section 103 Application
Anadarko Production Co.
E.W. Walden Well No. 13
Unit 14, Section 15, Township 22 South, Range 37 East, Lea County, New Mexico

42-381 50 SHEETS 5 SQUARE
42-382 100 SHEETS 5 SQUARE
42-389 200 SHEETS 5 SQUARE
MADE IN U.S.A.

Anadarko Hess Corporation
E.W. Walden Well No. 2
3009' FSL - 1911' FUL
Spud: 4/9/47
Blinberry/Brinkard Completion

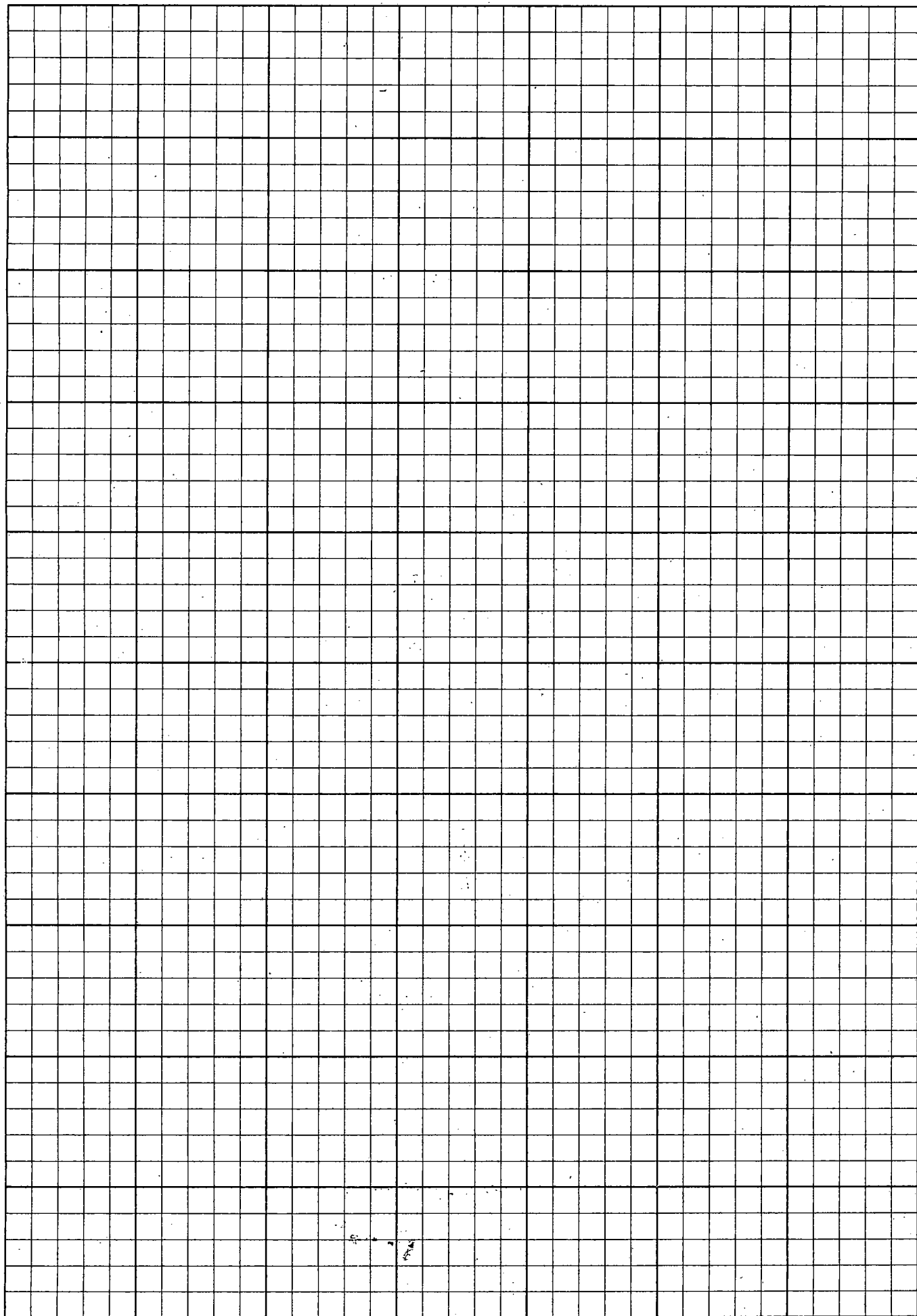
* Anadarko Production Company
E.W. Walden Well No. 8
Spud: 1/28/69
2280' FSL - 1980' FUL
Penrose Stelly Grayburg Production
Purchaser: Betty O. F. Co.
Cumulative Prod: 42169 BO,
460,112 MCF Gas (as of 1/82).

Anadarko Hess Corporation
E.W. Walden Well No. 1
1908' FSL
Spud: 2/3/47
Brunson Ellingerburger Production

* Anadarko Production Company
E.W. Walden Well No. 4
1980' FSL - 1780' FUL
Spud: 5/1/37
Penrose-Stelly Producer until 11/21/68
when deepened to San Andres for sale
water disposal.
Cumulative Penrose Stelly Production:
76445 BO
46847 MCF Gas

* (Application Well)
Anadarko Production Company
E.W. Walden Well No. 13
1950' FSL - 1400' FUL
Spud: 10/25/82
Penrose Stelly - Grayburg Completion

Scale: 1" = 200'



Well is Dunice Pool, Lea County.
 Well is 1980 feet from North line and 1980 feet from West line
 of Section 12 If State Land the Oil and Gas Lease No. is E-394
 Drilling Commenced 5/29/53, 19..... Drilling was Completed 6/16/53, 19.....
 Name of Drilling Contractor Howard P. Holmes
 Address Hobbs, New Mexico
 Elevation above sea level at Top of Tubing Head 3571' The information given is to be kept confidential until
Not Confidential, 19.....

OIL SANDS OR ZONES

No. 1, from 3726 to 3890' No. 4, from to
 No. 2, from to No. 5, from to
 No. 3, from to No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from None to feet.
 No. 2, from to feet.
 No. 3, from to feet.
 No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
<u>9-5/8"</u>	<u>36#</u>	<u>New</u>	<u>294</u>	<u>Guide</u>			
<u>7"</u>	<u>20 & 23#</u>	<u>New</u>	<u>4012</u>	<u>Float</u>		<u>3726-3745; 3760-3774; 3800-3842;</u>	
						<u>3857-3860 and 3870-3890</u>	
							<u>Production -</u>

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
<u>12-1/4</u>	<u>9-5/8</u>	<u>309'</u>	<u>200</u>	<u>Halliburton</u>		
<u>8-3/4</u>	<u>7</u>	<u>4026</u>	<u>400</u>	<u>Halliburton</u>		

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

Acidized W/1500 Gal 15% LST Acid and Sand-Frac W/6000 Gal and 4500# Sand - Well flowed
195.50 bbl oil, .35 bbl BS and .60 bbl water in 13 hours on 1/2" Choke. T.P. 100#.
Gas Vol., 299,100 cu ft p/d GOR 829. Gty 30 corrected.

Result of Production Stimulation.....

Depth Cleaned Out.....

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 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 the Walden No.13 is estimated
 to be 59 MBO. This was calculated by taking a percentage
 of the Walden leases 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).

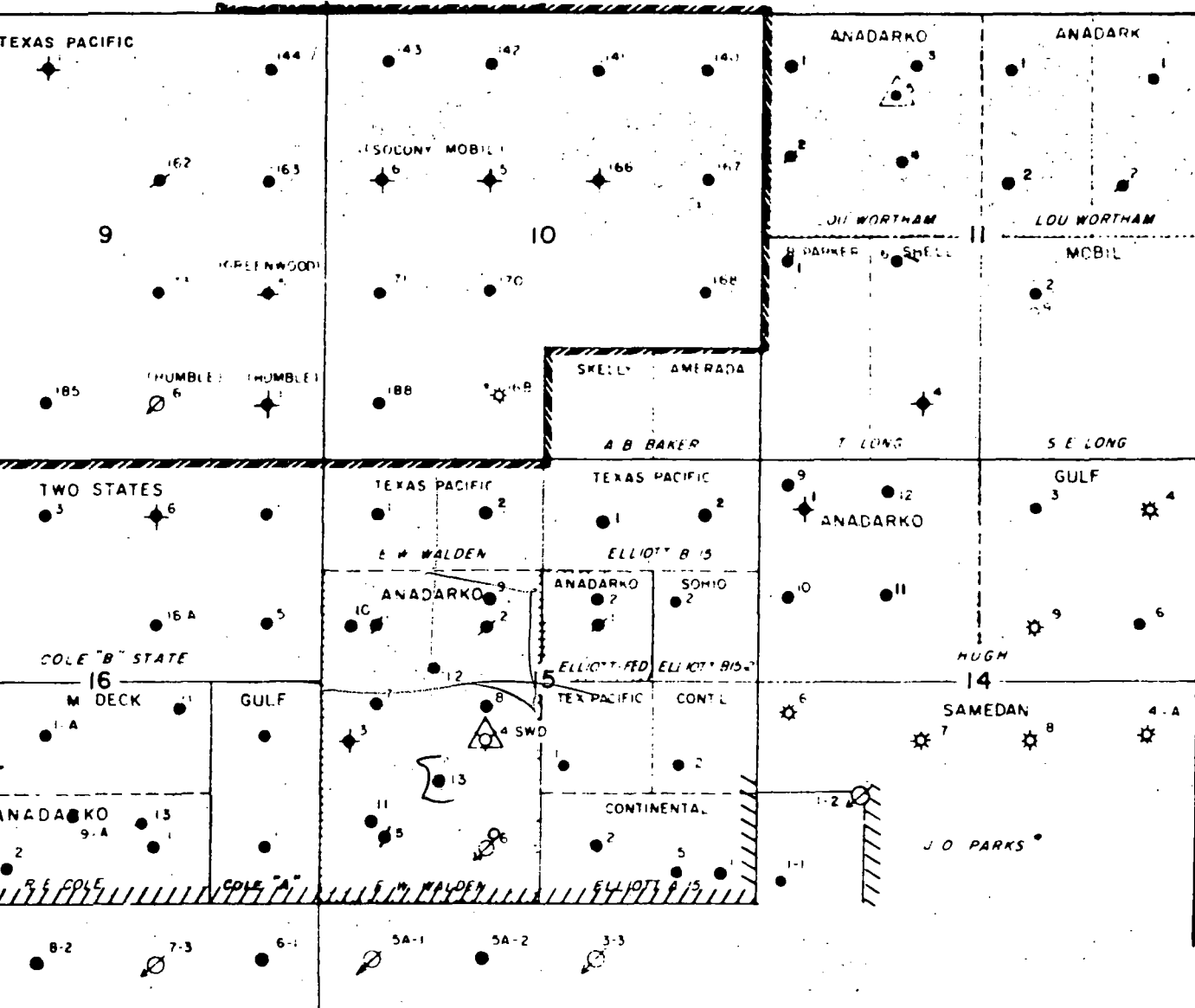
Rule 8 A-F Wells drilled on Proration Unit
NE/4 SW/4 Section 15, T22S, R37E

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

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'

new loc. to loc 10-18-82
E.W. Walden #13
Exhibit B

30-025-27956

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FILE	
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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE <input type="checkbox"/> REC <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Firm or Lease Name E.W. Walden	
2. Name of Operator Anadarko Production Company		9. Well No. #13	
3. Address of Operator P.O. Box 806, Eunice, NM 88231		10. Field and Pool, or Wellcat Penrose-Skelley	
4. Location of Well UNIT LETTER <u>K</u> LOCATED <u>1450</u> FEET FROM THE <u>South</u> LINE AND <u>1400</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>15</u> TWP. <u>22S</u> RGE. <u>37E</u> NMPM		12. County Lea	
19. Proposed Depth 4000'		19A. Formation Penrose-Grayburg	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 3392.3 GL	
21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor Unknown	
22. Approx. Date Work will start Nov 1, 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#	1150'	500 8x	Surface
7-7/8"	5-1/2"	15.5#	4000'	600 8x	1000'

1. Move in and RU Rotary Tools.
2. Drill 11" hole to 1150' or top of Anhydrite.
3. Run 1150' 8-5/8" 24# csg. Circ cement (Class "C" w/2% CaCl).
4. Nipple up. Set BOP. Drill out after 12 hrs w/7-7/8" bit.
5. Drill to 4000' or 100' into top of San Andres.
6. Run 4000' of 5-1/2" 15.5# csg to TD. Cement w/Class "C" Cement, using sufficient cement to put TOC approximately 1000' from surface.
7. Run Gamma Ray Neutron Logs.
8. Complete as Grayburg producer.
9. POP..

Order # R-6950 for Unorthodox location dated 4-28-82

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 1/7/83
UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE 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 Howard D. Schell Title Production Foreman Date 10-4-82

(This space for State Use)

APPROVED BY JERRY SEXTON TITLE DISTRICT 1 SUPR. DATE OCT 7 1982
CONDITIONS OF APPROVAL, IF ANY.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102
Supersedes C-128
File five 1-1-65

All distances must be from the outer boundaries of the Section

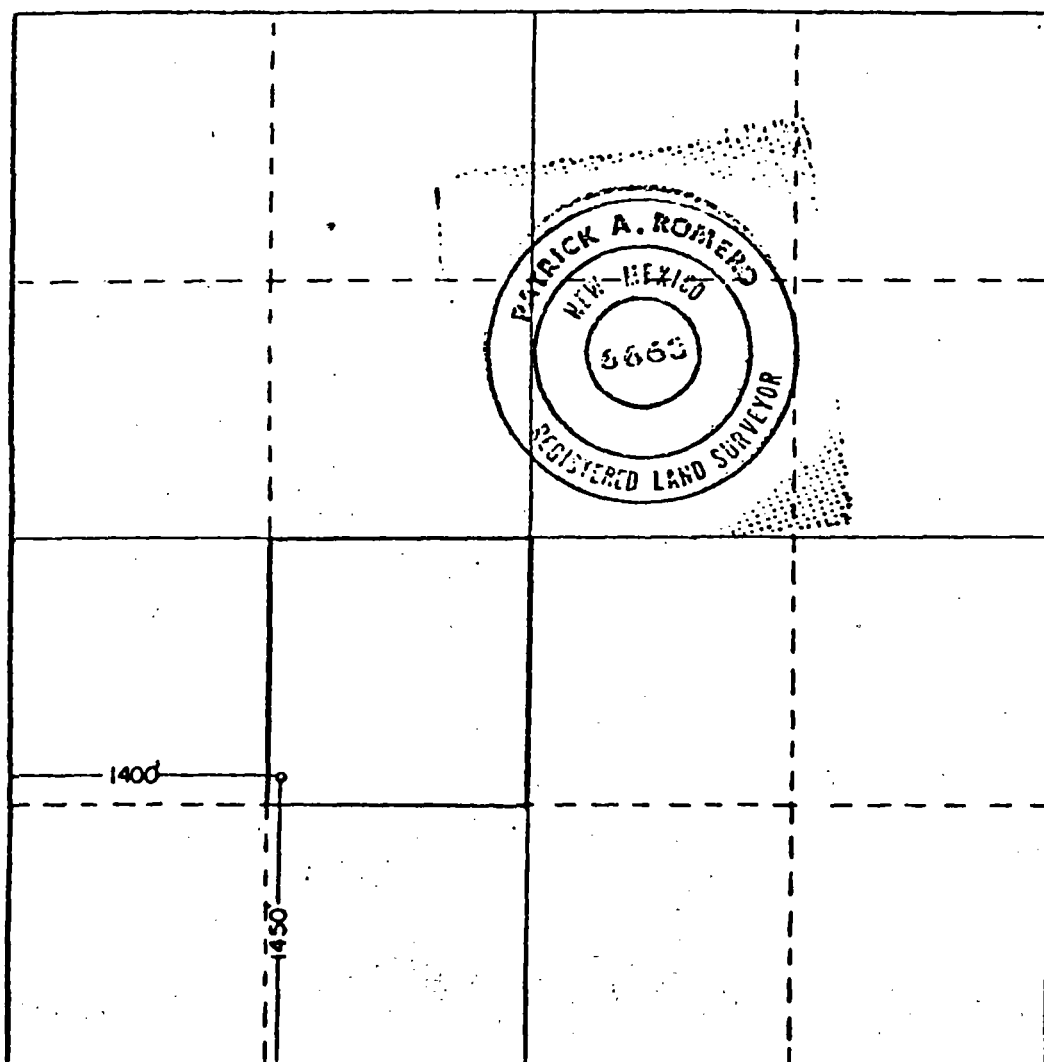
ANADARKO PRODUCTION CO.			Lease E. W. WALDEN		Well No. 13
Tract Letter K	Section 15	Township 22 SOUTH	Range 37 EAST	County LEA	
Actual Footage Location of Well: 1450 feet from the SOUTH line and 1400 feet from the WEST line					
Ground Level Elev. 3392.3	Producing Formation Grayburg	Pool Penrose-Skelly		Dedicated Acreage: 40 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 well 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 Howard D. Harkness
Position Production Foreman
Company Anadarko Production Co.

Date October 4, 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 SurveyorPatrick A. Romero

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.

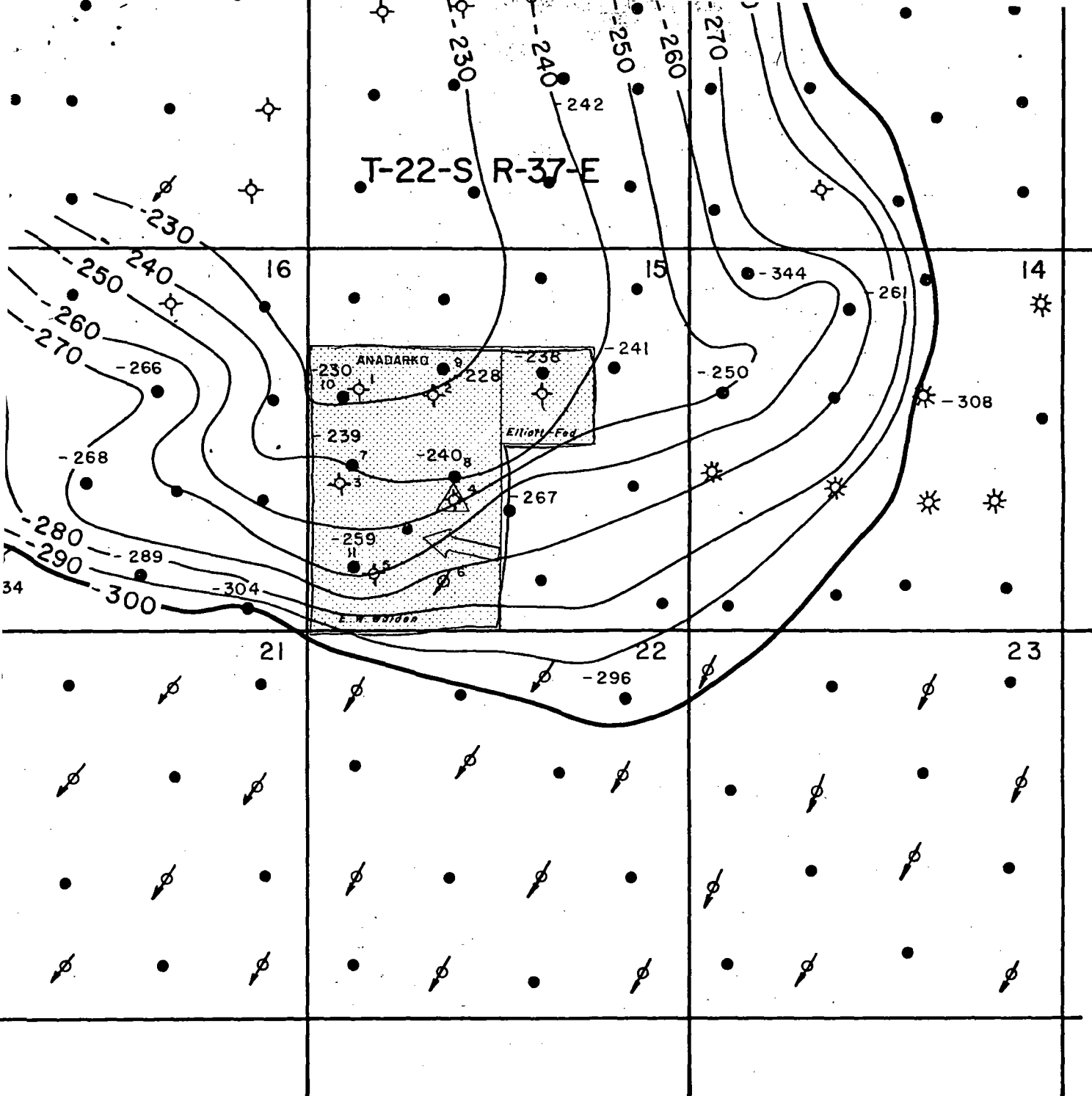
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.


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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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

RESERVOIR: GRAYBUNG

STATE: nm

LEASE/UNIT: E.W. Walden "P"

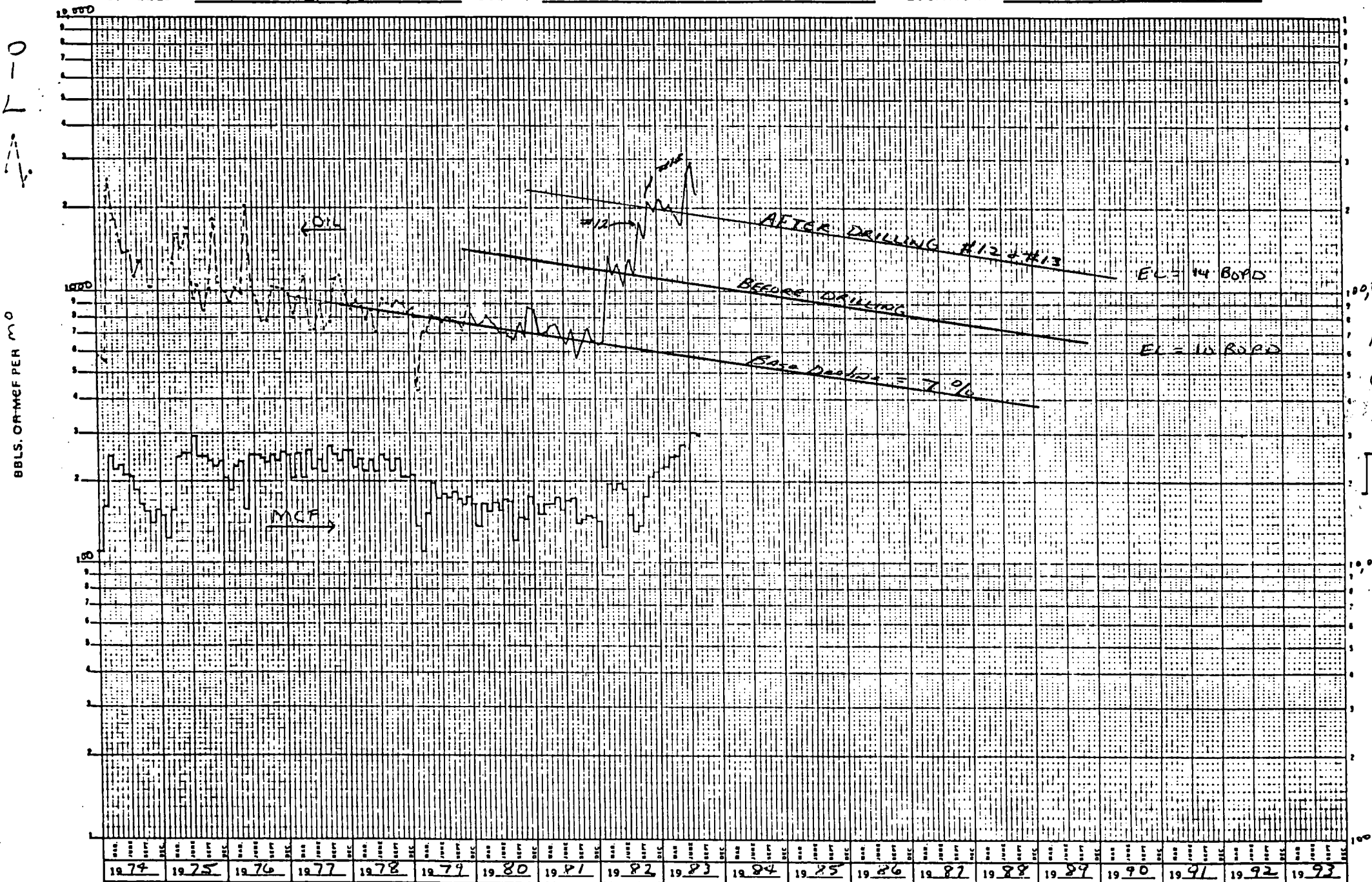
PERFS: _____

OPERATOR: APC

NO. WELLS: 5 10

CO./PH. _____

LOCATION: 15-22-37



TIME IN YEARS

ACCT. CODE NO. 3029/79 (014)

LEASE NAME E.W. Walden

WELL NO.