

NEW MEXICO OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

OFF-LEASE STORAGE ORDER OLS-137

Anadarko Production Co.
P. O. Box 67
Loco Hills, New Mexico 88255

Attention: Cindy Jones

As an exception to the requirements of Rule 309-A of the Division Rules and Regulations, and pursuant to the provisions of Rule 309-C, the above-named company is hereby authorized off-lease storage for Grayburg-Jackson pool production from the following lease:

Lease Name: Carper Federal

Description: NE/4 SE/4 Sec. 25, T-16-S, R-31-E, Eddy Cty.

The aforesaid production is to be transported prior to measurement to its own tank battery to be located in Unit P, Section 25, Township 16 South, Range 31 East on the Baxter "B" Federal Lease.

NOTE: This installation shall be operated in accordance with the provisions of Rules 309-A and 309-B of the Division Rules and Regulations, and there shall be no intercommunication of the handling, separating, treating, or storage facilities designated to each of the above leases.

DONE at Santa Fe, New Mexico, on this 12th day of January, 1982.


JOE D. RAMEY, Director

Anadarko
PRODUCTION COMPANY

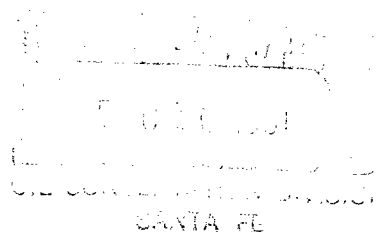
OLS-

A
Panhandle
Eastern
Company

P. O. Box 67 • Loco Hills, New Mexico 88255 • (505) 677-2411

December 7, 1981

Mr. Joe D. Ramey
State Petroleum Engineer Secretary-Director
P. O. Box 2088
Santa Fe, New Mexico 87501



Dear Sir:

Anadarko Production Company hereby requests administrative approval for "Off-Lease Storage" (Rule 309-C). This request would involve moving Fee oil onto Federal Land. We propose to relocate the production from the Taylor Fee lease and Carper Federal lease to the Baxter "B" Federal lease. Production on the Taylor Fee lease well #1, Taylor Fee lease well #3, Carper Federal lease well #1 and Baxter "B" Federal lease wells #1 & #2 will be maintained separately, thus there will be no commingling or intercommunication of production between handling, separating or storage facilities. All production is of the Graybury-Jackson/Queen-Grayburg-San Andres Pool and is under the sole working interest ownership of Anadarko Production Company.

A "Surface Use Plan" is provided along with the following Exhibits for your information:

Exhibit #1 - Small scale map showing location of leases in relation to Loco Hills Townsite.

Exhibit #2 - Large scale map showing leases involved.

Exhibit #3 - Proposed new tank battery layout.

Exhibit #4 - Proof of ownership.

Not applicable - thrown away

Exhibit #5 - Plat showing location of wells, formation(s) completed in and location of new tank battery.

Exhibit #6 - Letter from Commissioner of Public Lands.

Exhibit #7 - Letter from Deputy Conservation Manager (USGS).

For further information, please contact me at the Midland, Texas office or Jerry Buckles at the Loco Hills, New Mexico office.

Sincerely,

Cynthia L. James

Cindy James
Production Engineer

CJ/rk

Anadarko

PRODUCTION COMPANY

A
Panhandle
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P. O. Box 67 • Loco Hills, New Mexico 88255 • (505) 677-2411

December 7, 1981

Mr. Joe D. Ramey
State Petroleum Engineer Secretary-Director
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Following is the "Surface Use and Operation Plan" for the relocation of production facilities on Anadarko's Taylor Fee lease and Carper Federal lease to the Baxter "B" Federal lease.

1. Existing Roads - A map is attached (Exhibit #1) showing the leases concerned on the relocation of the production facilities of the subject leases in relation to Loco Hills Townsite.

A second map (Exhibit #2) shows existing caliche lease roads in blue.

2. Planned Access Roads - This relocation of production facilities will not require any new roads. There will be no fence to cut or cattleguard to set.

3. Location of Existing Wells - All existing wells on these leases are indicated on enclosed maps (Exhibits #1 & #2). There are no exploratory wells being drilled within a two mile radius.

4. Location of Tank Batteries, Production Facilities & Lines - Exhibit #2 shows the present location of the subject rproduction facilities in Yellow. Proposed relocation of these production facilities are shown in Red. Proposed flowlines in dashed green will be 2" black SDR-11 Dupont 837 PE pipe unrolled on top of the ground and run through 5" conductor pipe beneath lease roads intersected.

5. Location and Type of Water Supply - Not applicable.

6. Source of Construction Material - Not applicable. An existing caliche pad will be utilized for this relocation project.

No Archaeological Study will be required since an existing caliche pad will be used.

7. Methods for Handling Waste Materials - No drilling pits, reserve pits or rubbish pits are required. A small drainage pit with wire mesh over it will be on the site.

8. Ancillary Facilities - There are no camps or air strips planned.

9. Tank Battery Layout - The existing caliche pad measures approximately 100' NW to SE and is approximately 50' wide.

Cross Section - Before and After shown below.

6" Caliche Pad

Note: There was no change in this since we will be using an existing caliche pad.

See Exhibit #3 for proposed Tank Battery Layout.

10. Plans for Restoration of Surface - None - this caliche pad had already been leveled and caliched by prior operator, therefore Anadarko has no plans other than removing the production equipment.

11. Other Information - Topography is generally small sand dunes adjacent to existing level caliche pad which is on the side of the Caprock.

Soil Characteristics - Level caliche pad.

Flora - No growth on caliche pad.

Fauna - Snakes, rabbits, ants, grasshoppers, mice, rats & birds.

Other Surface Use Activities - None.

Surface Ownership - Federal Land.

Water Wells - None.

Lakes, Streams and Ponds - None.

Dwellings - None.

Other Facilities - None.

Archaeological Sites - None.

Historical Sites - None.

Cultural Sites - None.

12. Operator's Representative:

Truman Jones - Office - Loco Hills - 505-677-2411

Cindy James - Office - Loco Hills - 505-677-2411
Office - Midland, Texas - 915-682-1666

13. Certification - I hereby certify that I, or persons under my direct supervision, have inspected this existing caliche pad which will be used as the proposed production facility relocation site; that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Stevenson Roach Tank Company, Inc. in conformity with this plan and the terms and conditions under which it is approved.

December 7, 1981
Date


Jerry E. Buckles

Area Supervisor
Title

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

September 9, 1981

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Anadarko Production Company
P. O. Box 67
Loco Hills, New Mexico 88255

Re: Taylor No. 1, located in unit letter M; Taylor No. 2, located in unit letter M; Taylor No. 3, located in unit letter N, All in Section 30, Township 16 South, Range 32 East and Baxter "B" Federal No. 1 located in unit letter P, Section 25, Township 16 South Range 31 East.

ATTENTION: Mr. Jerry E. Buckles

Dear Sir:

Pursuant to your request of August 31, 1981, whereby, you request permission to proceed with an application to the NMOCD for "Off Lease Storage" proposing thereby to relocate the production from the captioned wells, upon checking our land records we find that these wells are not located in State owned lands.

Therefore, we have no interest in the aforesaid lands or no further comment on your application.

You may file the enclosed application with the United States Geological Survey, P. O. Box 26124-MS400, Albuquerque, New Mexico 87125-6124.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
A/C 505-827-2748

AJA/FOP/s
encls.

cc: OCD-Santa Fe, New Mexico

Exhibit #6

RECEIVED
Anadarko
PRODUCTION COMPANY

A
Panhandle
Eastern
Company

P. O. Box 67 • Loco Hills, New Mexico 88255 • (505) 677-2411

August 31, 1981

Mr. Alex Armijo
Commissioner of Public Lands
P. O. Box 1449
Santa Fe, New Mexico 87501

Re: "Off-Lease Storage - Rule 309-C, Item #6"

Dear Sir:

Anadarko Production Company hereby requests your permission to proceed with an application to the NMOCC for "Off-Lease-Storage". See Exhibits #1 & #2 for area involved. This request would involve moving Fee oil onto Federal land.

We propose to relocate the production from the Taylor #1, #2 & #3 wells (S/2 SW/4 Unit Letters M & N, Sec. 30, T16S, R32E, Lea County, New Mexico) to the SE/4 SE/4 Unit Letter P, Sec. 25, T16S, R31E, Eddy County, New Mexico.

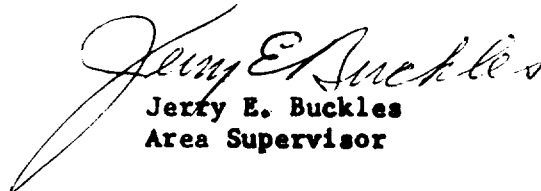
It is our intention to build a new tank battery @ Unit Letter P, Sec. 25 consisting of four oil storage tanks & four gun barrels. Production on the Baxter Federal "B" lease (NM 041538) and the Carper Federal lease (also NM 041538) will be maintained separately, although Anadarko is currently the sole interest holder. Likewise, production from the Taylor #1 & #2 will be maintained separately from the Taylor #3, although Anadarko is also currently the sole lease holder.

This consolidation is proposed for four reasons:

1. Existing facilities were not designed to handle produced water. The new batteries will incorporate atmospheric gunbarrels set at an elevation which will permit transferral of produced water to the Water Plant for disposal via gravity.
2. The old facilities are junk. New facilities could be built at this central location and put into service with a minimal of down time.
3. Consolidation reduces gauging time.
4. Consolidation would reduce road maintenance since travel would be more centralized.

Your prompt approval of this move will allow Anadarko to proceed with other stipulations set forth in Rule 309-C.

Yours very truly,


Jerry E. Buckles
Area Supervisor

JEB/rk



United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
P. O. Box 26124

Albuquerque, New Mexico 87125-6124

Anadarko Production Company
P. O. Box 67
Loco Hills, New Mexico 88255

Gentlemen:

Your application of August 31, 1981 requests approval for off-lease measurement and storage of oil and gas production from fee leases into storage facilities on Federal lease NM-041538. Such production is to be measured and stored separately from production of the Federal lease. There will be no commingling of production from fee or State leases with Federal oil.

Your application for off-lease measurement and storage of production from fee leases into storage facilities on Federal lease NM-041538 is hereby approved subject to notification of the Roswell District Oil and Gas Supervisor when the action has been completed. This letter should not be construed as your authority to construct any facilities or use any surface for pipeline right-of-way on Federal or non-Federal leases. Such approval must be obtained from the surface managing agencies concerned.

Sincerely yours,

Joe D. Lara

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Exhibit #7

Anadarko
PRODUCTION COMPANY

A
Panhandle
Eastern
Company

P. O. Box 87 • Loco Hills, New Mexico 88255 • (505) 677-2411

August 31, 1981

Mr. Gene Daniel
Deputy Oil & Gas Conservation Manager
P. O. Box 26124
Albuquerque, New Mexico 87125

Re: "Off-Lease Storage - Rule 309-C, Item #6"

Dear Sir:

Anadarko Production Company hereby requests your permission to proceed with an application to the NMOCC for "Off-Lease-Storage". See Exhibits #1 & #2 for area involved. This request would involve moving Fee oil onto Federal land.

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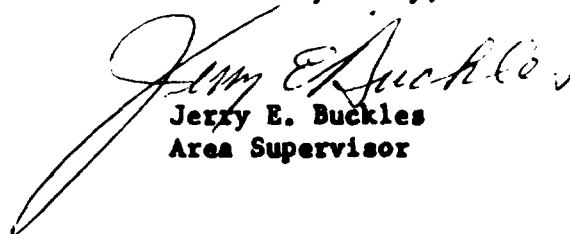
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3. Consolidation reduces gauging time.
4. Consolidation would reduce road maintenance since travel would be more centralized.

Your prompt approval of this move will allow Anadarko to proceed with other stipulations set forth in Rule 309-C.

Yours very truly,



Jerry E. Buckles
Area Supervisor

JEB/rk