

Handwritten: 19-19-33



October 24, 1991

New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Re: Form C-108
Water Disposal Well
EXXON Federal SWD No. 3
660' FNL & 1980' FWL
Sec. 19, T19S, R33E
Lea County, New Mexico

Gentlemen:

Attached is Anadarko Petroleum Corporation's application to re-enter deepen and complete the former D&A'd Saunders "A" No. 1 as a water disposal well.

Anadarko is requesting this disposal permit to have an economical system in which to dispose of produced waters from Anadarko's EXXON Federal (Delaware) lease. Anadarko recently completed the EXXON Federal No. 1 and is preparing an application to drill the No. 2. The No. 1 is being pumped with a Lufkin 456 unit and is currently making 70-100 BOPD and 300-400 BWPD. Disposal is \$2.00 per barrel of water trucked and disposed. These economics are not very encouraging and limit our ability to fully develop what is perceived as an economical project with controlled expenses. An additional eight wells are possible based on acreage currently leased for continued development.

The only other alternative to a disposal well and trucking is the disposal of the produced water into the Laguna Gatuna playa lake. Our current and future concerns of open surface disposal does not permit Anadarko to request this manner of disposal. We therefore respectfully request that our application be administratively approved as quickly as the NMOCD process permits.

Anadarko with the NMOCD permission will rename the disposal well the EXXON Federal SWD No. 3. The currently plugged well would be re-entered to the 8-5/8" casing stub, tied back to surface, cemented to surface, and cleaned out to