



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER OLS-178

Santa Fe Energy Resources, Inc.
P.O. Box 2497
Midland, Texas 79702

Attention: Mr. Don Rogers

*Rock Waterhole Canyon '16 State Well No.1
Unit Letter D, Section 16, Township 22 South, Range 24 East
Eddy County, New Mexico
Indian Basin Upper Penn (Associated - 33685) Pool*

As an exception to Division 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 for off-lease storage for the subject well. Insomuch that duplicate measurement would constitute economic waste, the aforementioned production is to be transported prior to measurement to its own tank battery to be located in Unit 'N', Section 8, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico.

NOTE: These facilities were formerly utilized for the Old Ranch Knoll '8' Federal Com Well No.2. At the time application was made, these facilities were indicated to be in an idle status.

PROVIDING THAT: All flow lines shall be maintained in a safe and adequate condition and any leaks or failures must be reported to the Division, and; it is the responsibility of the operator to notify the transporter of this approval.

FURTHER: 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.

NOTE: The operator shall notify the Artesia district office upon implementation of off lease storage and measurement operations.

DONE at Santa Fe, New Mexico on this 11th day of September, 1996.



William J. LeMay, Director

WJL/BES

cc: Oil Conservation Division - Artesia
State Land Office - Oil & Gas Division