



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-177

Topat Oil Corporation
Energy Square
505 North Big Spring, Suite 204
Midland, Texas 79701

Attention: Mr. Tom Schneider

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 Coyote Queen (13380) Pool production from the following lease:

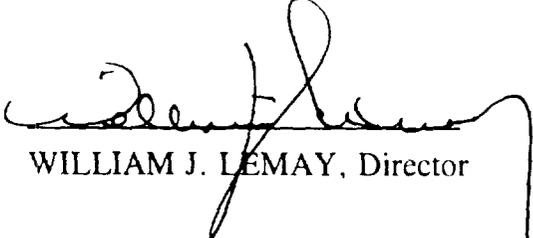
Lease Name: Rosilee Federal Lease
Description: SE/4 NW/4, Section 20, Township 11 South, Range 27 East,
Chaves County, New Mexico.

The aforementioned production is to be transported prior to measurement and storage at the Jackie Federal Lease tank battery facility located in Unit J of Section 20, Township 11 South, Range 27 East, Chaves County, New Mexico.

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.

REMARKS: The operator shall notify the Artesia district office upon implementation of subject operations.

DONE at Santa Fe, New Mexico, on this 15th day of March, 1996.


WILLIAM J. LEMAY, Director

WJL/BES

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad