



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

OFF-LEASE STORAGE ORDER OLS-163

Conoco, Inc.  
P.O. Box 460  
Hobbs, NM 88240

Attention: R.E. Irelan

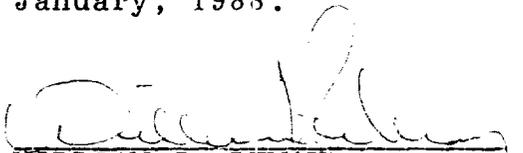
As an exception to the requirements of Rule 309-A of the Division Rules and Regulations, and pursuant to the provisions of Rule 309-C, the above-named company is hereby authorized off-lease storage for North Dagger Draw Upper Penn pool production from the following lease:

Lease Name: Dagger Draw Federal Lease  
Description: NW/4 NW/4, SE/4, NE/4, Section 30, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico

The aforesaid production is to be transported prior to measurement to its own tank battery to be located in Unit L,, Section 19, Township 19 South, Range 25 East on the Dagger Draw (Fee) 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 6th day of January, 1988.

  
WILLIAM J. LEMAY  
Director  
WJL/DRC/ag