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

OFF-LEASE STORAGE ORDER OLS-144

CONOCO INC. P.O. Box 460 Hobbs, NM 83240

Attention: Mark K. Mosley, Division Manager

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 South Dagger Draw-Upper Pennsylvanian Associated pool production from the following lease:

Lease Name: Preston Federal

Description: S/2 Section 35, Township 20 South, Range 24

East, NMPM, Eddy County

The aforesaid production is to be transported prior to measurement to its own tank battery to be located in Unit G, Section 26, Township 20 South, Range 24 East on the Vicki 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 11th day of April, 1983.

JOE D. RAMEY, Director