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Cable: BELPETEX

Belco Petroleum Corporation

Belco

January 30, 1980

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501



Re: Off Lease Oil Storage From:
Belco operations on:
Federal Lease NM 11333 W2-31-9-33
State Lease OG-1826 SW4-32-9-33
State Lease L-191 W/2 NM-5-10-33
Flying "M" San Andres Pool
Lea County, New Mexico

Gentlemen:

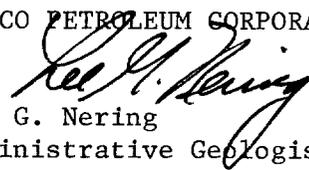
Due to current additional development drilling and future water flooding plans, Belco herewith submits, under the provisions of Rule 309c, application for administrative approval of off lease storage of oil produced from the San Andres in the Flying "M" Pool, from the above described leases. A plat is attached illustrating the location of the central tank battery and the oil producing leases. Belco has a surface use lease with Annette Martin, Lubbock, Texas, for SESE 31, T9S, R33E - the battery site.

In keeping with Rule 309c we have requested consent for this storage from the U.S. Geological Survey, and the New Mexico Land Commission since both Federal and State leases are involved. A copy of our letter to these agencies is attached. In addition, by copy of this letter we have informed Warren American, a party having an interest in State Lease OG-1826, of our intention. Proof of this notification is shown by the attached mail receipt.

We further state that this off lease oil storage will not commingle production from the separate leases, and that the oil is from a common source of supply, and that there will be no intercommunication of facilities for each lease.

Sincerely,

BELCO PETROLEUM CORPORATION


Lee G. Nering
Administrative Geologist

LGN:pd
xc: Warren American
enclosures

*2/25/80
Pat Miller w/ Belco
called today - said they
just received written
approval from USGS on
altg. He is wishing
it today and I
gave him verbal &
approval and an obs
number - 065120.
J. Lee*