

Suite 100
Houston, Texas 77002
Telephone (713) 932-4700
Cable: BFLPETEX

Belco Petroleum Corporation

Belco

January 30, 1980

Regional Supervisor
U.S. Geological Survey
P.O. Box 26124
Albuquerque, New Mexico 87123

State of New Mexico
Commissioner of Public Lands
P.O. Box 1140
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 Co., New Mexico

Gentlemen:

Due to current additional development drilling, and future waterflooding plans, Belco intends to request, from the New Mexico Oil Conservation Division, under the provisions of NMOCD Rule 309c, administrative approval for off lease storage of oil from the above described leases.

By this letter we are requesting consent from you for this off lease storage. No commingling is proposed, and the oil will be from a common source of supply (San Andres), with no intercommunication.

We would greatly appreciate expeditious notification by you to the NMOCD of your consent to our plans, with copy to the undersigned.

A plat of the leases and the proposed battery site is attached, illustrating location of the leases which are adjacent to the battery site in the SESE

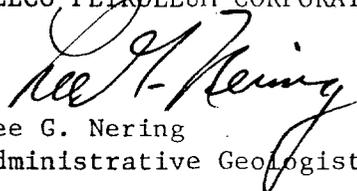
Belco

Off Lease Storage From
Belco Operations
January 30, 1980
Page 2

31-9-33, surface owned by Annette Martin, Lubbock, Texas, with whom Belco has a surface lease.

Sincerely,

BELCO PETROLEUM CORPORATION


Lee G. Nering
Administrative Geologist

LGN:pd
xc: NMOCD
enclosure

DL
L
A
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D
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H

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

- Print your name, address, and ZIP Code in the space below.
- Complete items 1, 2, and 3 on the reverse.
 - Moisture gummed ends and attach to front of article if space permits. Otherwise affix to back of article.
 - Endorse article "Return Receipt Requested" adjacent to number.

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



**RETURN
TO**



BELCO PETROLEUM CORPORATION

(Name of Sender)

10,000 Old Katy Rd.

Suite 100

(Street or P.O. Box)

Houston, Texas 77055

(City, State, and ZIP Code)

<p>● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.</p>	
<p>1. The following service is requested (check one).</p> <p><input checked="" type="checkbox"/> Show to whom and date delivered. _____</p> <p><input type="checkbox"/> Show to whom, date, and address of delivery. _____</p> <p><input type="checkbox"/> RESTRICTED DELIVERY Show to whom and date delivered. _____</p> <p><input type="checkbox"/> RESTRICTED DELIVERY Show to whom, date, and address of delivery. \$ _____</p> <p>(CONSULT POSTMASTER FOR FEES)</p>	
<p>2. ARTICLE ADDRESSED TO: Warren American States P.O. Box 971 Midland, Texas 79702</p>	
<p>3. ARTICLE DESCRIPTION: REGISTERED NO. _____ CERTIFIED NO. _____ INSURED NO. _____</p>	<p>(Always obtain signature of addressee or agent)</p> <p>I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent</p>
<p>4. DATE OF DELIVERY _____</p>	<p>POSTMARK _____</p>
<p>5. ADDRESS (Complete only if requested)</p>	
<p>6. UNABLE TO DELIVER BECAUSE: _____</p> <p>CLERK'S INITIALS _____</p>	

Suite 100
Houston, Texas 77055
Telephone (713) 932-4700
Cable BELPETEX

Belco Petroleum Corporation

Belco

January 30, 1980

Regional Supervisor
U.S. Geological Survey
P.O. Box 26124
Albuquerque, New Mexico 87123

State of New Mexico
Commissioner of Public Lands
P.O. Box 1140
Santa Fe, New Mexico 87501

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RECEIVED
OIL CONSERVATION DIVISION
FEB 1 9 30 AM '80
STATE LAND OFFICE
SANTA FE, N.M.

Belco

Off Lease Storage From
Belco Operations
January 30, 1980
Page 2

RECEIVED
CLUB
SANTA FE

31-9-33, surface owned by Annette Martin, Lubbock, Texas, with whom Belco has a surface lease.

Sincerely,

BELCO PETROLEUM CORPORATION

Lee G. Nering
Lee G. Nering
Administrative Geologist

LGN:pd
xc: NMOCD
enclosure

Approved *February 4, 1980*
Alex J. Arimyo
COMMISSIONER OF PUBLIC LANDS

RECEIVED
FEB 1 9 31 AM '80
STATE OFFICE
SANTA FE, N.M.

Warren American Oil Company

307 GIBBS TOWER WEST
MIDLAND, TEXAS 79701
(915-682-0124)

RECEIVED

FEB 07 1980

HOUSTON OFFICE

PLEASE REPLY TO:
P. O. BOX 971
MIDLAND, TEXAS 79702

February 4, 1980

BELCO PETROLEUM CORPORATION
10000 Old Katy Road
Suite 100
Houston, Texas 77055

Attn: Lee G. Nering

RE: WAOC NM-104
St. of NM Lease OG-1826
Section 32, T9S, R33E
Lea County, New Mexico

Gentlemen:

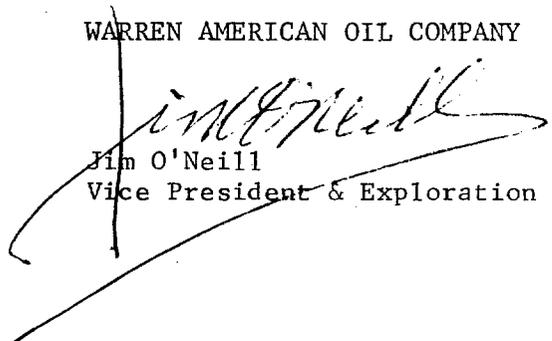
This will acknowledge receipt of your letter dated January 31, 1980 together with the enclosures attached thereto.

You state in your letter of January 20, 1980 addressed to the New Mexico Oil Conservation Division 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 inter-communication of facilities for each lease.

We have no objection to Belco's proposed operation for centralization and planning for eventual waterflood.

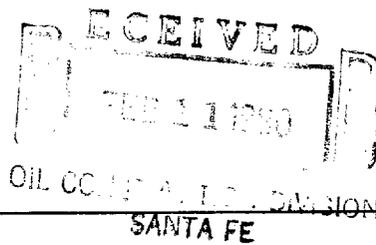
Yours very truly,

WARREN AMERICAN OIL COMPANY


Jim O'Neill
Vice President & Exploration Mgr.

JON:aeb

10000 Old Katy Road
Suite 100
Houston, Texas 77055
Telephone (713) 932-4700
Cable: BELPETEX



Belco Petroleum Corporation

Belco

February 7, 1980

New Mexico Oil Conservation Division
P. O. Box 2080
Santa Fe, N. M. 87501

RE: Belco's Application
Off-Lease Storage
Flying "M" San Andres Pool
Lea County, New Mexico

Gentlemen:

By letter application to you dated 1/30/80, Belco has requested administrative approval for off-lease storage of oil from the San Andres in the Flying "M" Pool.

Please find attached consent letters from the New Mexico Commission of Public Lands and Warren American Oil Company. We anticipate consent from the U. S. Geological Survey, a copy of which should be received by you within the near future. We will advise upon receipt by us.

Sincerely,


Lee Nering

LGN:ry
Encls.

10000 Old Katy Road
Suite 10C
Houston, Texas 77055
Telephone (713) 932-4700
Cable: BELPETEX

Belco Petroleum Corporation

Belco

February 26, 1980

State of New Mexico
Oil Conservation Division
Box 2088
Santa Fe, N. M. 87501

Attention: Dan Nutter

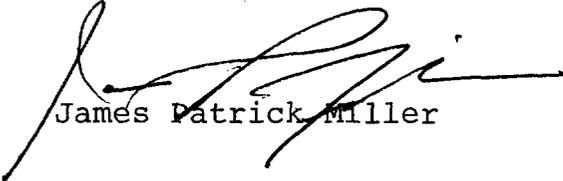
Dear Mr. Nutter:

This letter will confirm our telephone conversation of yesterday in which you granted verbal approval for Belco to establish off lease storage in the Flying M, San Andres Pool, Lea County, New Mexico. This off lease storage, OLS 120, was granted upon Belco's representations that each well for which storage is provided will have a separate tank battery. I have confirmed with our operations people that this is correct. Your approval was also based upon our representation that we had letters from Warren American Oil Company, the record title holder of the lease, the Commissioner of Public Lands of the State of New Mexico and the USGS, approving said off lease storage. We are enclosing for your files copies of all 3 letters.

Belco appreciates your cooperation in this matter and should you have any further questions, please advise.

Yours very truly,

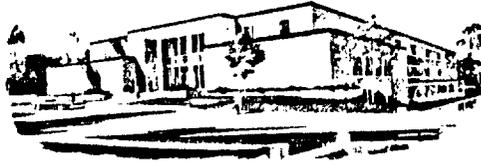
BELCO PETROLEUM CORPORATION


James Patrick Miller

RECEIVED
JPM:ry
cc: Lee Nering
Carl Houser
OIL CONSERVATION DIVISION
SANTA FE

State of New Mexico

RECEIVED
FEB 05 1980
HOUSTON OFFICE



Commissioner of Public Lands
February 4, 1980

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Belco Petroleum Corporation
10000 Old Katy Road, Suite 100
Houston, Texas 77055

Re: Off Lease Storage From:
Belco operations on:
Federal Lease NM 11333 W/2, 2-31-33
State Lease OG-1826 SW/4 32-9-33
State Lease L-191 W/2NW/4 5-10-33
Flying "M" San Andres Pool
Lea County, New Mexico

ATTENTION: Mr. Lee G. Nering

Gentlemen:

Reference is made to your request dated January 30, 1980, re-
questing consent for off lease storage of oil from the above described
leases.

You are hereby given consent to the above request. This request
is granted on the condition that no production from either State well will
be commingled with production from any other well. Our approval is sub-
ject to like approval by the Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Ten (\$10.00) Dollar filing fee.

*10 requested
2.7.80*

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAMM, Director
Oil and Gas Division
AC 505-827-2748



OIL AND GAS DIVISION
SANTA FE

AJA/RDG/s
encl.

cc: New Mexico Oil Conservation Division
New Mexico Oil and Gas Accounting Commission
State Leases OG-1826 and L-191



United States Department of the Interior

RECEIVED

GEOLOGICAL SURVEY

FEB 25 1980

Conservation Division

P. O. Box 26124

HOUSTON TEXAS

Albuquerque, New Mexico 87125

FEB 2 1980

Belco Petroleum Corporation
10000 Old Katy Road
Suite 100
Houston, Texas 77055

Gentlemen:

Your application of January 30, 1980 requests approval for off-lease measurement and storage of oil and gas production from Federal lease NM-11333 consisting of the W $\frac{1}{2}$ sec. 31, T. 9 S., R. 33 E., N.M.P.M., Lea County, New Mexico. Such production is to be stored and measured at a central tank battery located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 31. There will be no commingling of production from other leases and the production will be from the San Andres formation.

Your application for off-lease measurement and storage of production from Federal lease NM-11333 is hereby approved subject to notification of the Roswell District Oil and Gas Supervisor when the action has been completed. Any production lost between the wells and the storage point must be reported and the appropriate royalty or full value paid. This letter should not be construed as your authority to construct any facilities on a non-Federal lease.

Any waterflood operations you contemplate in the future must be conducted pursuant to either an approved lease line agreement or a secondary recovery unit agreement, as appropriate.

Sincerely yours,

James W. Sutherland
For James W. Sutherland

Oil and Gas Supervisor, SRMA



ONE HUNDRED YEARS OF EARTH SCIENCE IN THE PUBLIC SERVICE

Warren American Oil Company

307 GHLS TOWER WEST
MIDLAND, TEXAS 79701
(915-682-0124)

RECEIVED

FEB 07 1980

HOUSTON OFFICE

PLEASE REPLY TO
P. O. BOX 971
MIDLAND, TEXAS 79702

February 4, 1980

BELCO PETROLEUM CORPORATION
10000 Old Katy Road
Suite 100
Houston, Texas 77055

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RE: WAOC NM-104
St. of NM Lease OG-1826
Section 32, T9S, R33E
Lea County, New Mexico

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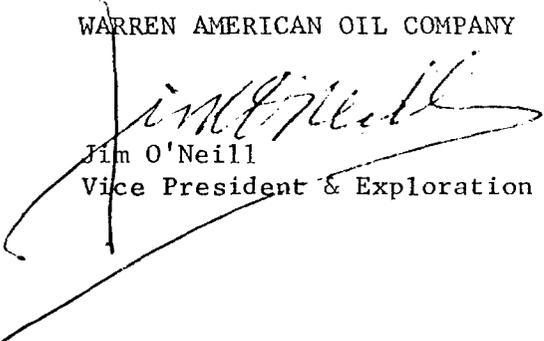
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WARREN AMERICAN OIL COMPANY



Jim O'Neill

Vice President & Exploration Mgr.

JON:aeb