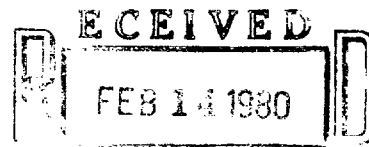




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S. P. YATES
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JOHN A. YATES
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OIL CONSERVATION DIVISION
SANTA FE

February 12, 1980

Mr. Joe Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Subject: Off Lease Storage, Atoka Yeso Field

Dear Sir:

Under the provisions of NMOCC rule 309C, Yates Petroleum Corporation seeks administrative approval for an exception to NMOC rule 309A whereby production from our Bryan "ME" lease may be transported by pipeline prior to measurement to individual, a tank battery to be located on our Cleveland lease in Unit C, Section 33-18S-26E.

The Bryan "ME" lease is located outside of the city limits of Artesia but is only 1/4 mile from the nearest residence. All leases concerned have Yeso, SA completions only with sour crude and gas productions. The Bryan "ME" lease is located in Unit F of Section 33-T18S-R26E.

1. Commingling of production will not result.
2. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.
3. Yates Petroleum Corporation is the operator for all leases concerned.
4. Ownership plats of the leases are attached.

This exception is asked for because of the proximity of residences which from time to time would be exposed to unpleasant sour crude odors, also relocation of the storage facilities would lessen the environmental impact with respect to safety, fire hazard, noise and air pollution.

Yours truly,

YATES PETROLEUM CORPORATION

Johnny Morgan
Production Superintendent

JM/ob

Yates Petroleum Corporation
 Bryan "ME" Lease
 Section 33-T18S-R26E
 Eddy County, New Mexico

