

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

OFF-LEASE STORAGE ORDER OLS-103

Company: Yates Petroleum Corporation
Address: 207 South 4th Street
City, State, Zip: Artesia, New Mexico 88210

Attention: Mr. Eddie M. Mahfood

As an exception to the requirements of Rule 309-A of the Commission Rules and Regulations, and pursuant to the provisions of Rule 309-C, the above-named company is hereby authorized off-lease storage for Atoka-San Andres pool production from the following lease:

Lease Name: Dayton EZ
Description: SE/4 NE/4 Sec. 21, T-18-S, R-26-E, Eddy County

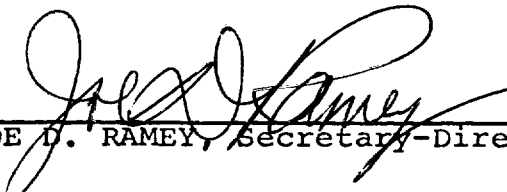
The aforesaid production is to be transported prior to measurement to its own tank battery to be located in

Unit Letter I Section 21 Township 18 South Range 26 East
on the Dayton ER Lease.

Note: This installation shall be operated in accordance with the provisions of Rules 309-A and 309-B of the Commission Rules and Regulations, and there shall be no intercommunication of the handling, separating, treating, or storage facilities designated to each of the above leases.

REMARKS:

DONE at Santa Fe, New Mexico, on this 4th day of February, 1976.



JOE D. RAMEY, Secretary-Director

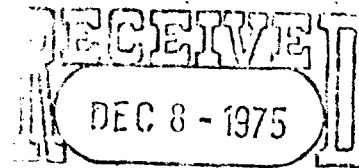
JDR/DSN/dr

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee



YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

December 5, 1975



OIL CONSERVATION COMM.
Santa Fe

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Mr. Joe. D. Ramey, Secry-Director
N.M.O.C.C.
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Off-Lease Storage, Dayton
Townsite, Atoka (San Andres)
Field

Dear Mr. Ramey:

We are now drilling San Andres wells in the Dayton Townsite and seek Administrative Approval under the provisions of OCC Rule 309C to set up individual tank batteries in a centrally located area for the several leases.

An existing tank battery for our Dayton "ER" No. 1 is located in Unit I of Section 21-18S-26E. We propose that separation and storage facilities for Dayton development leases DX, EY, EZ and EX others (East half of Section 21) be located alongside the Dayton ER tank battery in Unit I and which will be more than $\frac{1}{4}$ mile from existing occupied dwellings and approximately 1000 feet from a Transformer station.

The following requisites for off-lease storage are met:

1. All production is from the same common source;
2. Commingling of production will not result;
3. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease;
4. The working interest owners are the same and Yates Petroleum as Operator waives objections;
5. An ownership plat of the area: is attached.

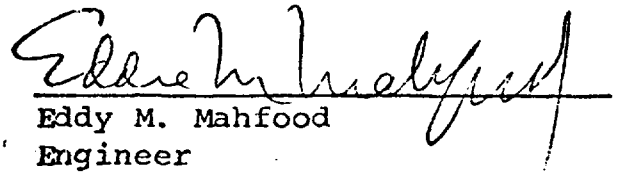
December 5, 1975

RE: Off-Lease Storage
Dayton Townsite
Atoka (SA) Field

This exception to OCC Rule 309A is asked for because of the proximity of residences which would otherwise be exposed to the pungent sour crude odors; also the propose site for the storage facilities would lessen the environmental impact with respect to public safety, fire hazard, noise and air pollution.

Yours truly,

YATES PETROLEUM CORPORATION


Eddy M. Mahfood
Engineer

EMM/pt
Enclosure

