

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

OFF-LEASE STORAGE ORDER OLS-104

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 Eagle Creek-San Andres pool production from the following lease:

Lease Name: Johnson FE
Description: NE/4 NE/4 Sec. 23, T-17-S, R-25-E, Eddy County

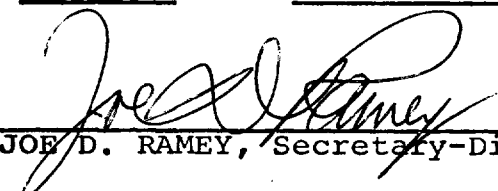
The aforesaid production is to be transported prior to measurement to its own tank battery to be located in

Unit Letter P Section 14 Township 17 South Range 25 East
on the Winters DN 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 - Hobbs



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

S. P. YATES
PRESIDENT
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VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

December 16, 1975

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

RE: Off-Lease Storage,
Eagle Creek Field

Dear Mr. Ramey,

Under the provisions of OCC Rule 309C, Yates Petroleum Corporation seeks Administrative Approval for an exception to OCC Rule 309A whereby production from our Johnson FE Lease may be transported by pipeline prior to measurement to a tank battery to be located on the Winters DN Lease located in Unit P, Section 14-T17S-R25E. The Johnson FE Lease is in Unit A, Section 23-T17S-R25E and is in the main water course of Eagle Draw.

The following requisites for off-lease storage are met:

1. Both leases produce from the same common source (San Andres);
2. Commingling of production from the two leases will not result;
3. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease;
4. Yates Petroleum is the sole working interest owner in both leases and waives objection to the off-lease storage;
5. A topography plat and an ownership plat are attached.

It is proposed to build the Johnson FE battery adjacent to the Winters DN battery which would be more accessible and less susceptible

December 16, 1975

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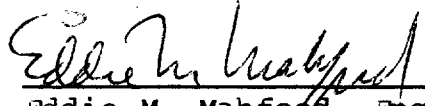
RE: Off-Lease Storage,
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to damage in event of flooding, also gas gathering and water disposal facilities are already available at the Winters site.

Thank you for your early attention to this matter.

Yours very truly,

YATES PETROLEUM CORPORATION


Eddie M. Mahfood, Engineer

EMM/pt
Enclosures

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