

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

OFF-LEASE STORAGE ORDER OLS- 112

Company: Boyd Operating Company
Address: Petroleum Building - Tower Suite
City, State, Zip: Roswell, New Mexico 88201

Attention: Mr. T. M. Boyd

As an exception to the requirements of Rule 309-A of the Division Rules and Regulations, and pursuant to the provisions of Rule 309-C, the above-named company is hereby authorized off-lease storage for

pool production from the following lease:

Lease Name:	Humble State "A"	Mershon State
Description:	NE/4 NE/4 Sec. 20	W/2 NW/4 Sec. 21
All in Township 18 South, Range 28 East		

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

Unit Letter G Section 20 Township 18 South Range 28 East
on the Rotary State Lease.

Note: This installation shall be operated in accordance with the provisions of Rules 309-A and 309-B of the Division 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 7th day of June, 1978.



JOE D. RAMEY, Division Director

Boyd Operating Company

PETROLEUM BUILDING — TOWER SUITE
ROSWELL, NEW MEXICO 88201
TELEPHONE 505/623-6044



May 23, 1978

*file
CL-112*

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Secretary-Director

Re: Rule 309-C
Mershon - E-1821
Rotary State - NM 647
Humble State "A"-B-11540

Gentlemen:

in accordance with Boyd Operating Company's request for Administrative approval under Rule 309-C, the undersigned, as an interest owner, supports this application.

Yours truly,

HUMBLE EXPLORATION *Company, Inc*

BY

Pat Holloway
President

Boyd Operating Company

PETROLEUM BUILDING — TOWER SUITE
ROSWELL, NEW MEXICO 88201
TELEPHONE 505/623-6044



May 23, 1978

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Secretary-Director


Re: Rule 309C
Merchon - E-1821
Rotary State-NM 647
Humble State "A"
B-11540

Gentlemen:

In accordance with Boyd Operating Company's request for Administrative approval under Rule 309-C, the undersigned, as an interest owner, supports this application.

Yours truly,

MURPHY MINERALS CORPORATION



Bert H. Murphy
President

Boyd Operating Company

PETROLEUM BUILDING — TOWER SUITE
ROSWELL, NEW MEXICO 88201
TELEPHONE 505/623-6044



May 23, 1978

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Secretary-Director

Re: Rule 309C
Mershon - E-1821
Rotary State - NM 647
Humble State "A" B-11540

Gentlemen:

In accordance with Boyd Operating Company's request for Administrative approval under Rule 309-C, the undersigned, as an interest owner, supports this application.

Yours truly,

HARVARD EXPLORATION, LTD.

A handwritten signature in cursive script, appearing to read "H. Lee Harvard", written over the printed name.

H. Lee Harvard
President

Boyd Operating Company

PETROLEUM BUILDING — TOWER SUITE
ROSWELL, NEW MEXICO 88201
TELEPHONE 505/623-6044



May 31, 1978

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Secretary-Director

Re: Rule 309-C
Rotary State
NM 647
Section 20, 29, T18S, R28E


Gentlemen:

In our letter of May 24, 1978 we asked for Administrative Approval for off-lease storage on the above reference lease.

Please ignore this request, as the tank battery on this lease will be located in Unit G-Section 20, Twp. 18 S, Range 28-E, which is adjacent to Rotary State #4 well.

Yours truly,

BOYD OPERATING COMPANY


T. M. Boyd
Operator

TMB:j

XC: Energy & Minerals Department
P. O. Drawer DD
Artesia, New Mexico 88210 w/c-104's

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Boyd Operating Company

PETROLEUM BUILDING — TOWER SUITE
ROSWELL, NEW MEXICO 88201
TELEPHONE 505/623-6044



May 23, 1978

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Secretary-Director

Re: Rule 309C
Mershon - E-1821
Rotary State - NM 647
Humble State "A" B-11540

Gentlemen:

In accordance with Boyd Operating Company's request for Administrative approval under Rule 309-C, the undersigned, as an interest owner, supports this application.

Yours truly,

HANOVER PETROLEUM CORPORATION

BY Douglas R. Lewis
Chief Engineer
Hanover Petroleum Corp.

Boyd Operating Company

PETROLEUM BUILDING — TOWER SUITE
ROSWELL, NEW MEXICO 88201
TELEPHONE 505/623-6044



May 24, 1978

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

*OLS not necessary
Bttry is on lse.*

Attention: Secretary-Director

Re: Rule 309-C
Rotary State
NM 647
Section 20, 29, T18S, R28E

Gentlemen:

We would like to request Administrative Approval, as set out under Rule 309-C, Off-Lease Storage; which is an exception to Rule 309-A, permitting production from one lease to be transported, prior to measurement, to another lease for storage. The primary reason for this request is economic; in that, the tank battery on this lease is deterioriated to the point it has to be replaced. This is a stripper lease and we can utilize only one tank per lease, which we plan on locating at our water injection pump, (Unit G, Section 20, T18S, R28E). This will reduce the capital cost, as we will be able to utilize our water injection lines for flow lines and salvage the existing facilities. It will also reduce our operating and maintenance cost as the produced water will not have to be pumped from the lease to the water injection facilities.

Ownership of this lease is provided in triplicate on Exhibit "A" and is accompanied by a plat, Exhibit "B" of the lease showing thereon the wells and tank battery location on the lease. Exhibit "C" sets out all the parties owning an interest in this lease. The formations which are producing are on the Welex Radioactive log run November 6, 1958 on the Mershon State #3:

1. 1st Grayburg	2030' - 2050'
2. 2nd Grayburg	2174' - 2090'
3. Premier	2280' - 2310'

In addition, we further provide that the following will be complied with:

1. All production is from the same common source of supply on each lease.
2. There will not be any commingling of the production due to relocation of this tank battery.

-2- Department of Energy & Minerals

3. There will be no inter-communication of the handling, separating, treating or storage facilities designated to each lease. All parties owning an interest in these leases have consented in writing to the off-lease storage or have been notified by registered mail of our intent to transport, prior to measurement, the production from this lease to another lease for storage.
4. The Commissioner of Public Lands has been provided with a copy of this application and requested to approve the proposed off-lease storage by notifying the Secretary-Director of the Energy and Resources Department as to this proposed off-lease storage.

Yours truly,

BOYD OPERATING COMPANY


T. M. Boyd
Operator

TMB:sj

Enclosures

xc: Energy & Minerals Department
P. O. Drawer DD
Artesia, New Mexico 88210, w/C-104's

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

EXHIBIT "A"

Rotary State Lease

The entire interest in that certain Oil and Gas Lease Number 647, dated November 14, 1922 between the State of New Mexico, as Lessor, and Martin Yates, Jr., as Lessee, insofar as said lease covers the following described land in Eddy County, New Mexico from the surface down to the depth of 3000' subsurface:

Southwest Quarter of Northeast Quarter (SW/4 NE/4) and West Half of Southeast Quarter (W/2 SE/4) of Section 20; and

Northwest Quarter of Northeast Quarter (NW/4 NE/4) of Section 29, all in T18S, R28E, N.M.P.M.

EXHIBIT "C"

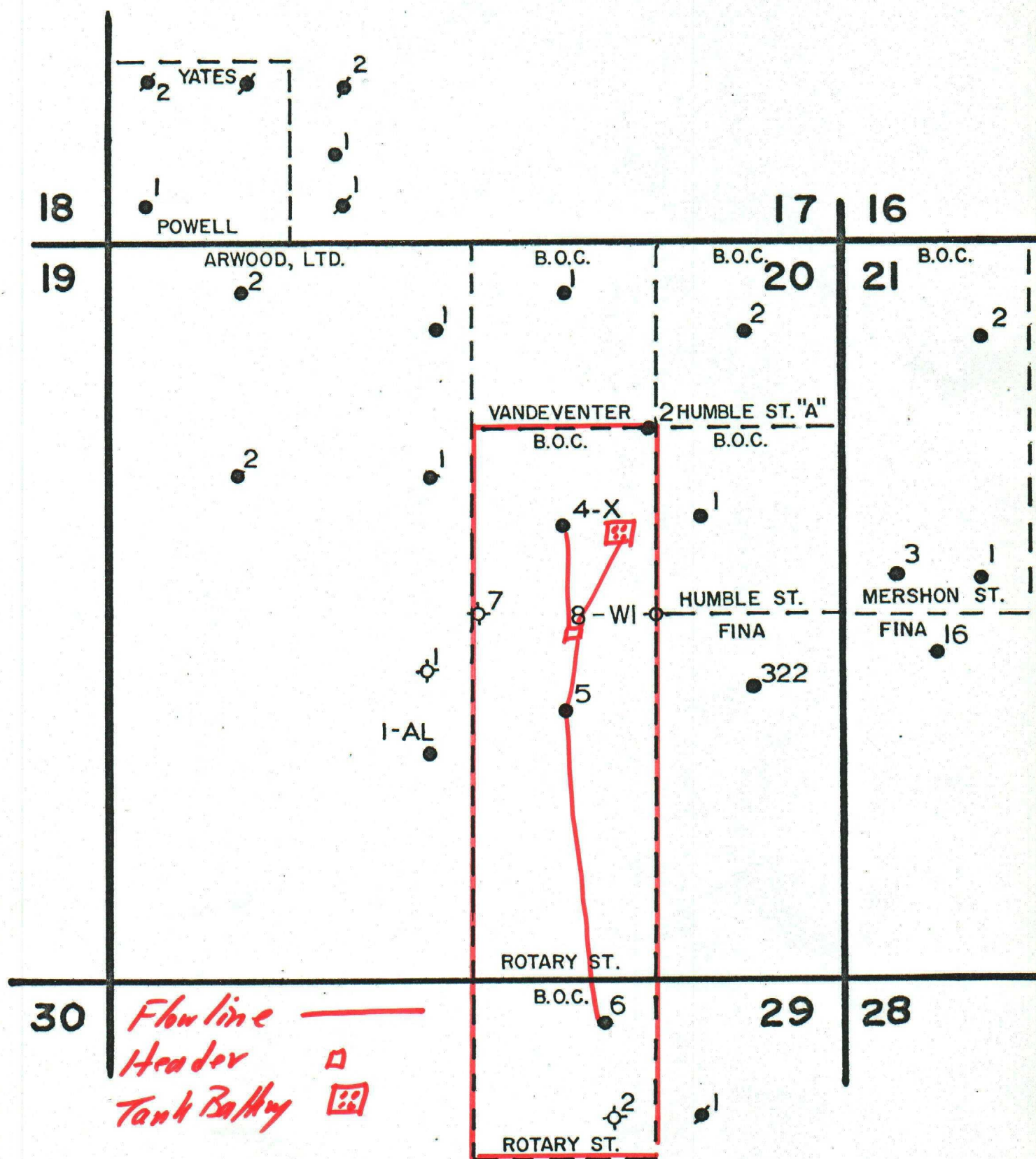
ORO NEGRO PARTNERSHIP

Murphy Minerals Corporation
Hanover Petroleum Corporation
Humble Exploration Company
Harvard Exploration, Ltd.
Read & Stevens, Inc.
Tom Boyd Drilling Co., Inc.

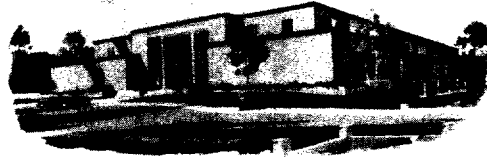
BOYD OPERATING CO.

NICHOLS PROJECT

Sec.17,20,21,29 T18S, R28E —
Eddy Co. New Mexico



State of New Mexico



Commissioner of Public Lands

PHIL R. LUCERO
COMMISSIONER

June 2, 1978

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

Boyd Operating Company
Petroleum Building-Tower Suite
Roswell, New Mexico 88201

Re: Rule 309-C
Rotary State
NM 647-365
Sec. 20, 29, T16S-R28E

ATTENTION: Mr. T. M. Boyd

Gentlemen:

As per your letter of May 31, 1978, we have this date cancelled our approval on the Rotary State, State lease 647-365.

By copy of this letter we are advising the New Mexico Oil Conservation Division and Oil and Gas Accounting Department of the cancellation of our approval.

It will not be necessary for you to send in a Ten (\$10.00) Dollar filing fee.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s

cc:

OCC-Santa Fe, New Mexico ✓
New Mexico Oil and Gas Accounting Department
New Mexico State Lease No. 647-365

Boyd Operating Company

PETROLEUM BUILDING — TOWER SUITE
ROSWELL, NEW MEXICO 88201
TELEPHONE 505/623-6044



RECEIVED

JUN 29 - AM '78

• STATE LANDS
SANTA FE, N.M.

May 31, 1978

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Secretary-Director

Re: Rule 309-C
Rotary State
NM 647
Section 20, 29, T18S, R28E

Gentlemen:

In our letter of May 24, 1978 we asked for Administrative Approval for off-lease storage on the above reference lease.

Please ignore this request, as the tank battery on this lease will be located in Unit G-Section 20, Twp. 18 S, Range 28-E, which is adjacent to Rotary State #4 well.

Yours truly,

BOYD OPERATING COMPANY

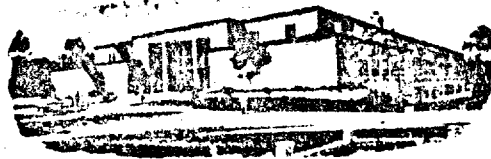
T. M. Boyd
Operator

TMB:j

XC: Energy & Minerals Department
P. O. Drawer DD
Artesia, New Mexico 88210 w/c-104's

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

State of New Mexico



Commissioner of Public Lands

May 31, 1978

PHIL R. LUCERO
COMMISSIONER

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

Boyd Operating Company
Petroleum Building-Tower Suite
Roswell, New Mexico 88201

Re: Rule 309-C
Merchon State E-1821-17
Section 21, T18S-R28E

ATTENTION: Mr. T. M. Boyd

Gentlemen:

As per your request of May 24, 1978, you are hereby authorized off-lease storage, permitting production from one lease to be transported, prior to measurement, to another lease for storage.

Our approval is subject to like approval by the New Mexico Oil Conservation Division. Failure by the New Mexico Oil Conservation Division to grant their approval will automatically void our approval.

Enclosed is one approved copy for your records.

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

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

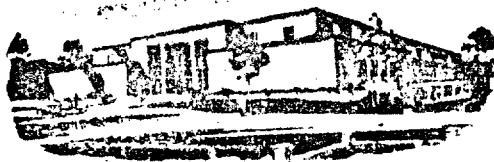
BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.

cc: OCC-Santa Fe, New Mexico
New Mexico Oil and Gas Accounting Department
New Mexico State Lease No. E-1821



State of New Mexico



Commissioner of Public Lands

May 31, 1978

PHIL R. LUCERO
COMMISSIONER

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

Boyd Operating Company
Petroleum Building-Tower Suite
Roswell, New Mexico 88201

Re: Rule 309-C
Humble State "A"
State Lease No. B-11540

ATTENTION: Mr. T. M. Boyd

Gentlemen:

As per your request of May 24, 1978, you are hereby authorized off-lease storage, permitting production from one lease to be transported, prior to measurement, to another lease for storage.

Our approval is subject to like approval by the New Mexico Oil Conservation Division. Failure by the New Mexico Oil Conservation Division to grant their approval will automatically void our approval.

Enclosed is one approved copy for your records.

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

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
encl.
cc:

OCC-Santa Fe, New Mexico ✓
New Mexico Oil and Gas Accounting Department
New Mexico State Lease No. B-11540

Boyd Operating Company

PETROLEUM BUILDING — TOWER SUITE
ROSWELL, NEW MEXICO 88201
TELEPHONE 505/623-6044



May 23, 1978

Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Secretary-Director

Re: Rule 309C
Mershon E-1821
Rotary State - NM 647
Humble State "A"-B-11540

Gentlemen:

In accordance with Boyd Operating Company's request for Administrative approval under Rule 309-C, the undersigned, as an interest owner, supports this application.

Yours truly,

TOM BOYD DRILLING CO, INC.

A handwritten signature in dark ink, appearing to read "T.M. Boyd". The signature is stylized with a large, sweeping initial "T" and "M".

T. M. Boyd
President

TMB:sj