

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

OFF-LEASE STORAGE ORDER OLS- 115

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

Attention: Mr. J. M. Morgan

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: White IU
Description: NE/4 SE/4 Section 28, Township 18 South, Range 26 East,
NMPM, Eddy County

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

Unit Letter H Section 28 Township 18 South Range 26 East
on the Gulf GZ 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



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 746-3558

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

November 1, 1977

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

RE: Off Lease Storage, Penasco Draw (Yeso, SA) Field

Dear Sir:

Under the provisions of OCC Rule 309C, Yates Petroleum Corporation seeks administrative approval for an exception to OCC Rule 309A whereby production from our White IU lease may be transported by pipeline prior to measurement to individual tank batteries to be located on our Gulf GZ lease in Unit H of Section 28-18S-26E.

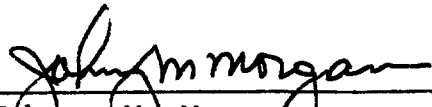
The White IU lease is outside of the city limits but approximately one-fourth (1/4) mile from the nearest residence. All leases concerned have Yeso, SA completions only with sour crude and gas production. The White IU lease is located in Unit I of Section 28-18S-26E.

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 is the sole working interest 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 pungent sour crude odors; also relocation of the storage facilities would lessen the environmental impact with respect to public safety, fire hazard, noise and air pollution.

Yours truly,

YATES PETROLEUM CORPORATION


Johnny M. Morgan

