

ADMINISTRATIVE ORDER OLS-175

Nearburg Producing Company 419 West Cain Hobbs, New Mexico 88240

Attention: Mr. E. Scott Kimbrough

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 North Dagger Draw Upper Penn Pool production from the following lease:

Lease Name: South Boyd '27' Well No.3 Description: SW/4 NW/4, Section 27, Township 19 South, Range 25 East, Eddy County, New Mexico.

The aforementioned production is to be transported prior to measurement and storage at the South Boyd '27' Well No.4 tank battery to be located in Unit L of Section 27, Township 19 South, Range 25 East, Eddy County, New Mexico.

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: The operator shall notify the Artesia district office upon implementation of subject operations.

DONE at Santa Fe, New Mexico, on this 7th day of August, 1995.

WILLIAM J. LEMAY Director

WJL/BES

cc: Oil Conservation Division - Artesia

VILLAGRA BUILDING - 408 Galistuo Forestry and Resources Conservation Eivision P.O. Box 1948 87504-1948 827-5830 Park and Recreation Division P.O. Box 1147 87504-1147 827-7465 2040 South Pacheco Office of the Secretary 827-5950 Administrative Services 827-5925 Energy Conservation & Management 827-5900 Mining and Minerals 827-5970 Oil Conservation 827-7131