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

OFF-LEASE STORAGE ORDER OLS- 125

Company:Martindale Petroleum Corp.Address:P. O. Box 1955City, State, Zip: Hobbs, New Mexico 88240

Attention:

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 Drinkard pool production from the following lease:

Lease Name: Peter State (V-3) Description: NW/4 NE/4, SE/4 NE/4, NW/4 SW/4, and S/2 SE/4 Sec. 32, Township 20 South, Range 38 East

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

Unit Letter J Section 32 Township 20 South Range 38 East on the State V-15 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: Separate order will be issued authorizing commingling of the above two leases if and when production is obtained on the V-15 Lease.

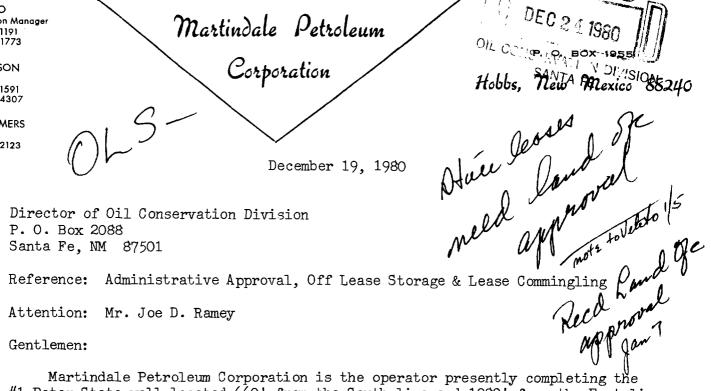
DONE	at	Santa	re,	New	Mexico,	on	this_	011	day	01	January,	19	81	•
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Director

BURTON VETETO Drilling & Production Manager Office (505) 397-1191 Home (505) 397-1773

MRS. JO JOHNSON Production Clerk Office (505) 397-1591 Home (505) 393-4307

ROBERT L. SUMMERS President Office (505) 393-2123



Martindale Petroleum Corporation is the operator presently completing the #1 Peter State well located 660' from the South line and 1980' from the East line of Section 32, T-20S, R-38E, Lea County, New Mexico on the New Mexico State Lease number V-3. The well has been perforated and stimulated in the Drinkard Formation at an interval from 6800' to 6892' with evidence of producing 50 to 60 BOPD and 150-180 MCFGPD.

Martindale is scheduling a second well located 1980' from the South line and 660' from the East line in the same section 32 on New Mexico State Lease number V-15 prior to March 1, 1981 and to the same depth and formation. Martindale would like to construct a centrally located tank battery and required production surface equipment to serve these two wells and all other development wells drilled on the two State Leases numbers V-3 and V-15.

Martindale Petroleum Corporation as operator has the right to consent for all the working interest which is and will remain the same for both the V-3 and the V-15 State Leases. As a major economic factor to the working interest owners and with both royalty and working interest the same and all wells drilled and completed within the same formation and under the allowable set for this depth well, Martindale Petroleum Corporation kindly requests administrative approval to the above off lease storage and subsequent lease commingling. We would appreciate your notice as soon as possible in order to commence the battery construction, electrical installation and gas line hook-up. Our standard battery employes by-passes to provide for individual well tests or metering.

Yours very truly,

MARTINDALE PETROLEUM CORPORATION

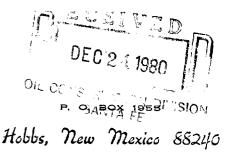
1A Burton Veteto

Vice-President

BV/JL Enclosures cc: Elk Oil Company

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BURTON VETETO Drilling & Production Manager Office (505) 397-1191 ' Home (505) 397-1773 Martindale Petroleum Corporation



MRS. JO JOHNSON Production Clerk Office (505) 397-1591 Home (505) 393-4307

ROBERT L. SUMMERS President Office (505) 393-2123

December 19, 1980

Director of Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501

Reference: Administrative Approval, Off Lease Storage & Lease Commingling

Attention: Mr. Joe D. Ramey

Gentlemen:

Martindale Petroleum Corporation is the operator presently completing the #1 Peter State well located 660' from the South line and 1980' from the East line of Section 32, T-20S, R-38E, Lea County, New Mexico on the New Mexico State Lease number V-3. The well has been perforated and stimulated in the Drinkard Formation at an interval from 6800' to 6892' with evidence of producing 50 to 60 BOPD and 150-180 MCFGPD.

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State of New Mexico



Commissioner of Public Lands January 6, 1981

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

Martindale Petroleum Corporation P. O. Box 1955 Hobbs, New Mexico 88240

> Re: Administrative Approval,Off lease Storage & Lease Commingling

ATTENTION: Mr. Burton Veteto

Gentlemen:

We are in receipt of your letter dated January 2, 1981, requesting approval of off lease storage and lease commingling between New Mexico State Leases No. V-3 and V-15.

You are hereby given consent to the above request, this being subject to like consent by the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

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

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

BY: FLOYD O. PRANDO, Assistant Director Oil and Gas Division AC 505-827-2748

AJA/FOP/s encls. cc:

Oil Conservation Division New Mexico Oil and Gas Accounting Commission State of New Mexico Leases V-3 and V-15



ALEX J. ARMIJO

BURTON VETETO Drifling & Production Manager Office (505) 397-1191 Hame (505) 397-1773

MRS. JO JOHNSON Production Clerk Office (505) 397-1591 Home (505) 393-4307

ROBERT L. SUMMERS President Office (505) 393-2123

Martindale Petroleum Corporation P. O. BOX 1955 5 10 15 Hobbs, New Mexico 88240 Stair SANIT F.

January 2, 1981

Mr. Fred Pando New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87501 Re: State Lease #V-3 Section 32, T-20S, R-38E, NMPM Lea County, New Mexico

Dear Mr. Pando,

Enclosed please find a copy of a letter sent to Mr. Joe D. Ramey, Director of the Oil Conservation Division requesting administrative approval of off lease storage and lease commingling between the above referenced lease (#V-3) and State lease #V-15.

As per the information furnished in the letter to Mr. Ramey, Martindale Petroleum Corporation also requests approval from the New Mexico State Land Office regarding the off lease storage and lease commingling of State leases #V-3 and V-15.

If further information is needed, please contact me at the above address or phone numbers.

Yours truly, MARTINDALE PETROLEUM CORPORATION

Burton Veteto

Burton Veteto Vice-President

BV/JL Enclosures cc: Elk Oil Company

Martindale Petroleum Corporation P. O. BOX 1955 Hobbs, New Mexico SS240 SIA SANIAT

MR5 JO JOHNISON Production Clerk D'Eco (505) 397-1591 Humo (505) 393-4307

JUGON MILLIO Laling & Production Manager

)fico (505) 377-1191 | tome (505) 397-1773

ROBERT L. SUMMERS President Office (505) 393-2123

December 19, 1980

Director of Oil Conservation Division P. O. Box 2088 Santa Fe, NM 87501

Reference: Administrative Approval, Off Lease Storage & Lease Commingling

Attention: Mr. Joe D. Ramey

Gentlemen:

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Nice-President