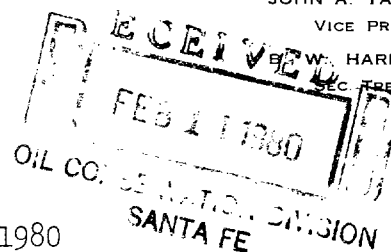




207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 746-3558

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



February 12, 1980

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

Subject: Off Lease Storage, Atoka Yeso Field

Dear Sir:

Under the provisions of NMOCC Rule 309C, Yates Petroleum Corporation seeks administrative approval for an exception to NMOCC rule 309A whereby production from our Lewis "MW" lease may be transported by pipeline prior to measurement to individual, a tank battery to be located on our Cleveland lease in Unit C, Section 33-18S-26E.


The Lewis "MW" lease is located outside of the city limits of Artesia but is only 1/4 mile from the nearest residence. All leases concerned have Yeso, SA completions only with sour crude and gas productions. The Lewis "MW" lease is located in Unit L of Section 33-T18S-R26E.

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 Corporation is the operator 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 unpleasant sour crude odors, also relocation of the storage facilities would lessen the environmental impact with respect to safety, fire hazard, noise and air pollution.

Yours truly,

YATES PETROLEUM CORPORATION


Johnny M. Morgan
Production Superintendent

JMM/ob

[illegible]