



YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

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

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OCT 16 1975

October 15, 1975

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

O. C. C.
ARTESIA, OFFICE

Re: Off Lease Storage, Eagle Creek (San Andres) Pool

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 Yates Fee DT lease and Smith Fee EB lease may be transported by pipeline prior to measurement to individual tank batteries to be located on our Achen Frey DM lease in Unit I of Section 14-17S-25E.

The DT and EB leases are in the City of Artesia but the DM lease is outside of the city limits and approximately one-half ($\frac{1}{2}$) mile from the nearest residence. All leases concerned have San Andres completions only with sour crude and gas production. The DT lease has a tank battery now in Unit L of Section 13-17S-25E and will be moved. The EB lease is located in Unit K of Section 13-17S-25E and has no battery yet.

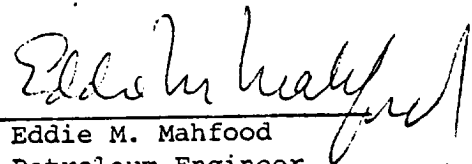
1. All production is from the same common source;
2. Commingling of production will not result;
3. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease;
4. Yates Petroleum is the sole working interest for all leases concerned;
5. Ownership plats of the leases are attached.

This exception is asked primarily out of courtesy to the citizens of Artesia who from time to time would be exposed to pungent sour crude odors; also relocation of the several storage facilities outside the city limits will lessen the environmental impact with respect to public safety, fire hazard, noise and air pollution.

Yours truly,

YATES PETROLEUM CORPORATION

By:


Eddie M. Mahfood
Petroleum Engineer

EMM/jg

cc: OCC, Artesia