

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

OFF-LEASE STORAGE ORDER OLS- 120

Company: Belco Petroleum Corp.  
Address: 10000 Old Katy Road, Suite 100  
City, State, Zip: Houston, Texas 77055

Attention: Mr. Lee Nering

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 Flying "M"-San Andres pool production from the following lease:

Lease Name:	NM-11333 Fed.	OG-1826 State
Description:	W/2 Sec. 31, T-9-S, R-33-E	SW/4 Sec. 32, T-9-S, R- 33-E
	L-191 State	
	W/2 NW/4 Sec. 5, T-10-S, R-33-E	

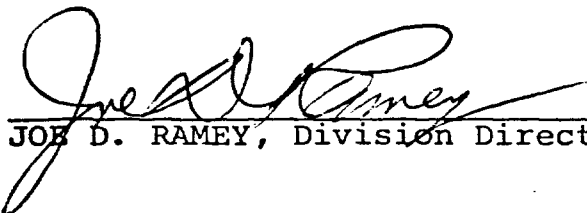
The aforesaid production is to be transported prior to measurement to its own tank battery to be located in

Unit Letter P      Section 31      Township 9 South      Range 33 East  
on the      Annette Martin      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 25th day of February, 1980.

  
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JOE D. RAMEY, Division Director

10000 Old Katy Road  
Suite 100  
Houston, Texas 77055  
Telephone (713) 932-4700  
Cable: BELPETEX

## Belco Petroleum Corporation

# Belco

January 30, 1980

New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501



Re: Off Lease Oil Storage From:  
Belco operations on:  
Federal Lease NM 11333 W2-31-9-33  
State Lease OG-1826 SW4-32-9-33  
State Lease L-191 W/2 NM-5-10-33  
Flying "M" San Andres Pool  
Lea County, New Mexico

Gentlemen:

Due to current additional development drilling and future water flooding plans, Belco herewith submits, under the provisions of Rule 309c, application for administrative approval of off lease storage of oil produced from the San Andres in the Flying "M" Pool, from the above described leases. A plat is attached illustrating the location of the central tank battery and the oil producing leases. Belco has a surface use lease with Annette Martin, Lubbock, Texas, for SESE 31, T9S, R33E - the battery site.

In keeping with Rule 309c we have requested consent for this storage from the U.S. Geological Survey, and the New Mexico Land Commission since both Federal and State leases are involved. A copy of our letter to these agencies is attached. In addition, by copy of this letter we have informed Warren American, a party having an interest in State Lease OG-1826, of our intention. Proof of this notification is shown by the attached mail receipt.

We further state that this off lease oil storage will not commingle production from the separate leases, and that the oil is from a common source of supply, and that there will be no intercommunication of facilities for each lease.

Sincerely,

BELCO PETROLEUM CORPORATION

*Lee G. Nering*  
Lee G. Nering  
Administrative Geologist

LGN:pd  
xc: Warren American  
enclosures

*2/25/80  
Pat Miller w/ Belco  
called today - said they  
just received written  
approval from USGS in  
alg. He is willing  
it today and I  
gave him verbal  
approval and an obs  
number - OLS120.  
J. Miller*