

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER OLM-18

Nearburg Producing Company 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705

Attention: Ms. Kim Stewart

Johnson Ranch "28" State Com No. 1

API No. 30-025-35345

Unit A, Section 28, Township 24 South, Range 33 East,
Lea County, New Mexico

Johnson Ranch-Wolfcamp Pool (Gas - 79335)

Reference is made to your request dated August 29, 2001, for an exception to Division Rule 309 to permit off lease measurement of gas production from the subject well on the Johnson Ranch "28" State Com Lease. Insomuch that duplicate measurement would constitute economic waste, the above named company is hereby authorized to meter gas production from the subject well at the off lease central delivery point located in the SE/4 NW/4 of Section 22, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER THAT, all oil production originating from the Johnson Ranch "28" State Com Lease shall be metered and stored in its own storage facility located on the originating lease and no commingling of production from other sources shall be allowed.

NOTE: The operator shall notify the Hobbs District Office upon implementation of off-lease measurement operations.

DONE at Santa Fe, New Mexico on this 12th day of September, 2001.

LORI WROTENBERY, Director

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LW/DRC

cc: Oil Conservation Division - Hobbs

State Land Office-Oil & Gas Division