

State of New Mexico

OFFICE OF THE

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Commissioner of Public Lands

Santa Ne

P.O. BOX 1148 SANTA FE, NEW MEKICO 87804-1148

MAY 3. PORELL CONTISTONER

June 3, 1993

w & w Oil, Inc. P.O. Box 427 Lovington, New Mexico 88260

Attention: Mr. Mike Wise

Miller State Well Nos. 1 & 4 Ret Off-lease Storage Section 4-17S-34E Lea County, New Mexico Vacuum Grayburg-San Andres

Dear Mr. Wise:

This office is in receipt of your letter of June 3, 1993. Your letter advises that the W & W Oil, Inc. is meeking permission to store crude from two San Andres wells in tanks that are "off-lease". It is our understanding that Well No. 1 is located in Unit P: 440 FSL; 440 FEL; Section 4-178-34E and Well No. 4 is located in Unit I; 2030 F5L; 660 FEL; Section 4-175-34E.

From your request it is our understanding that all rules and regulations of the Oil Conservation Division have been complied with, and there will be no comminglings with oil from other sources. Furthermore, that the State of New Mexico will suffer loss as a result of your proposed operation. Commissioner of Public Lands on this date does hereby approve your request for off- lease storage of crude from the San Andres formation in the Miller State Unit. Final approval is subject to confirmation by the Oil Conservation Division.

Your \$30.00 application fee for off-lease storage has been received.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL COMMISSIONER OF PUBLIC LANDS HY: Iloyd to Mun FLOYD O. PRANDO, Director Oil/Gas and Minerals Division (505) 827-5744 RBP/FOP/pm cc: Reader File