

# GENERAL AMERICAN OIL COMPANY OF TEXAS

DISTRICT OFFICE  
BOX 416  
LOCO HILLS, NEW MEXICO 88255

October 20, 1972

Mr. A. L. Porter  
Secretary - Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Sir:

General American Oil Company of Texas requests an exception to Rule 309-A to permit the commingling of production from its McIntyre "G" lease and its McIntyre "H" lease. General American has been the owner of these leases since 1949 date of acquisition from Republic Petroleum Company. At one time these leases were part of the same base lease, but were segregated due to a deep unit being formed. The deep unit is now resolved and the leases have separate lease numbers.

The McIntyre "G" lease has two producing wells and contains 80 acres located in W/2 of NE/4 of Section 21 Township 17S Range 30E, Eddy County, New Mexico. McIntyre "G" #1 is an old well and makes 1 barrel of oil per day. McIntyre "G" #2 is a new well completed in July, 1972 and is making 30 barrels of oil per day. Both these wells produce from the Grayburg and San Andres.

The McIntyre "H" lease has one well and contains 40 acres located in NW/4 of SW/4 of Section 15 Township 17S Range 30E, Eddy County, New Mexico. McIntyre "H" #1 is a new well completed in August of 1972 and makes only 15 barrels of oil per day. Gas production is barely sufficient to run the gas engine used on the pumping equipment.

The attached plat shows the two leases outlined in yellow and the zones from which the wells on the two leases produce. The plat also shows the proposed battery and commingling facilities which will be located on the McIntyre "G" lease in Section 21 Township 17S Range 30E.

In locating the commingling facilities on the McIntyre "G" lease, we can utilize the tank battery which is already built and connected to the Navajo pipe line. If we do not commingle the McIntyre "H" lease with the "G" lease the oil produced from the "H" lease will have to be trucked at a cost of 20 cents per barrel. Also it would be difficult to justify a separate battery for the "H" lease since it is only making 15 barrels of oil per day.

In reference to items 1 thru 5 of Rule 309 B, we submit the following:

1. All production from both leases is from a common source of supply.
2. Adequate facilities as shown on the attached diagram will be provided for testing of each individual well on both leases at least once each month.
3. The only interest in these two leases other than General American is the 1/8 royalty to the Federal Government.

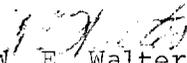
A letter from the United States Geological Survey is attached.

Also a letter from the Navajo Pipe Line Company is attached.

4. Not applicable.
5. The ownership throughout both these leases are common with General American having 100% working interest and the Federal Government 1/8 royalty.

Respectfully submitted,

GENERAL AMERICAN OIL COMPANY OF TEXAS

  
W. E. Walter  
District Superintendent

WEW/RLC/bc

Encls

cc: N. W. Krouskop

TELEPHONE  
(A. C. 505) 746-2793



# REFINING COMPANY

PIPE LINE DIVISION  
NORTH FREEMAN AVENUE

ARTESIA, NEW MEXICO 88210

October 18, 1972



General American Oil Company  
P. O. Box 416  
Loco Hills, New Mexico 88255

Gentlemen:

Navajo Refining Company agrees to the commingling of your McIntyre H Lease with your McIntyre G Battery located in NW/4/NE/4 Section 21, Township 17 South, Range 30 East, Eddy County, New Mexico.

Navajo pays General American 100% on the Division Order and General American will pay the taxes and Division of Interest on the two subject leases.

Very truly yours,

*W. T. Loyd*  
W. T. LOYD  
Manager Pipe Line & Supply

WIL-em

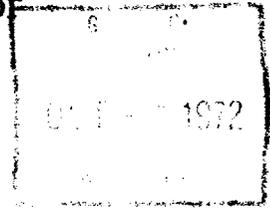
cc: L. L. Lorang



# United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer 1857  
Roswell, New Mexico 88201



October 4, 1972

General American Oil Company of Texas  
Post Office Box 416  
Loco Hills, New Mexico 88255

Gentlemen:

Your letter of August 31, 1972 requests approval to commingle San Andres oil production from leases New Mexico 0384577 and New Mexico 0558581, with the commingling facility to be located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$  sec. 21, T. 17 S., R. 30 E., N.M.P.M., Eddy County, New Mexico.

For royalty purposes, production allocation to individual leases will be based on monthly well tests. The monthly production for each well and subsequently each lease, as reported on Lessee's Monthly Report of Operations (form 9-329), will be based on these well tests. The Lessee's Monthly Report of Sales and Royalty (form 9-361) must show all computations used in the calculation of lease sales.

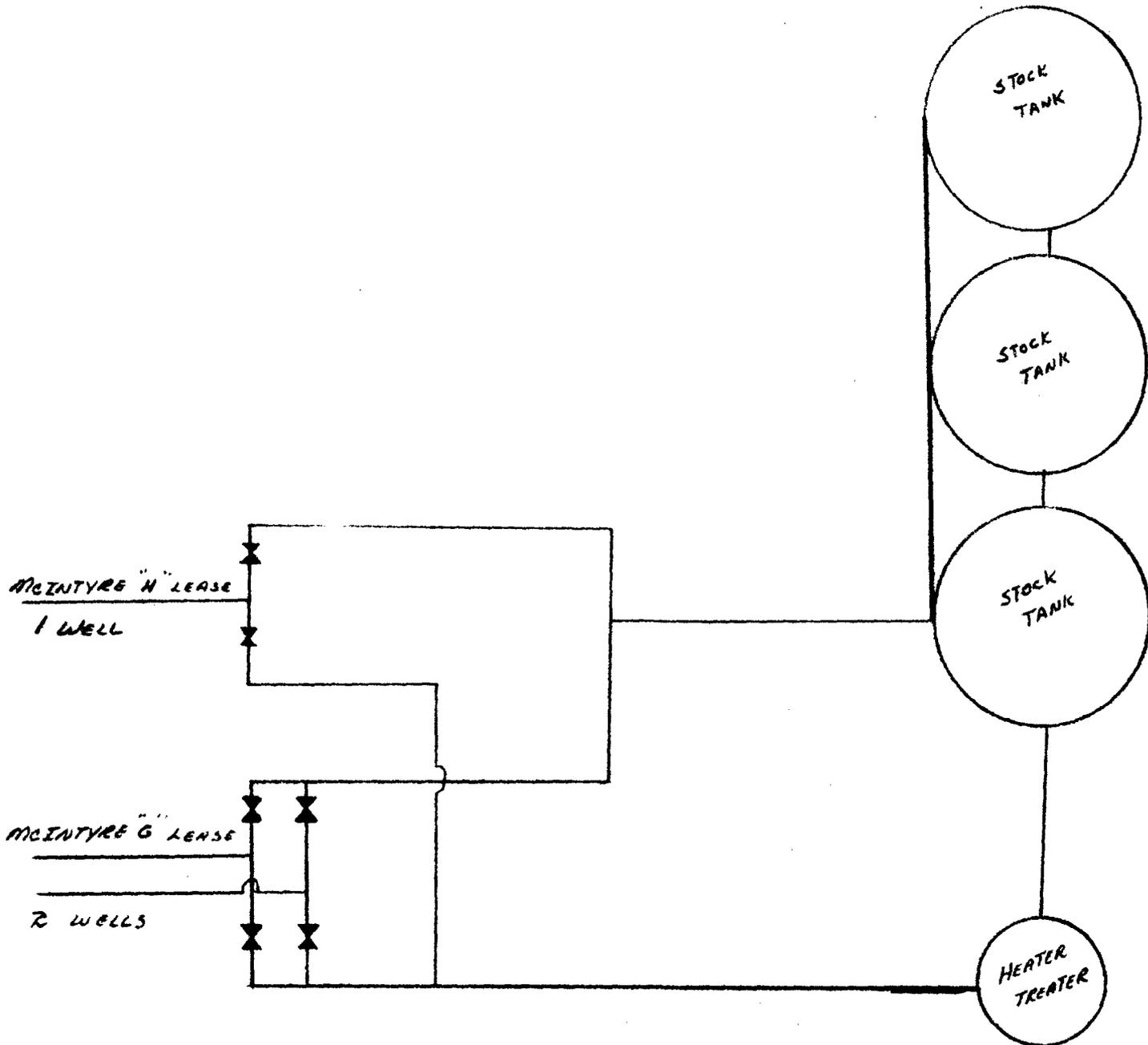
The method of commingling described by your application is hereby approved subject to like approval by the New Mexico Oil Conservation Commission. You are requested to notify the District Engineer, U. S. Geological Survey, Post Office Drawer U, Artesia, New Mexico, 88210 by letter, or by telephone 505-746-4841, when the installation is completed and operative so that it can be inspected.

Sincerely yours,

  
N. D. FREDERICK  
Area Oil and Gas Supervisor

# PROPOSED STORAGE AND TESTING FACILITIES

## MCINTYRE "G" LEASE AND MCINTYRE "H" LEASE

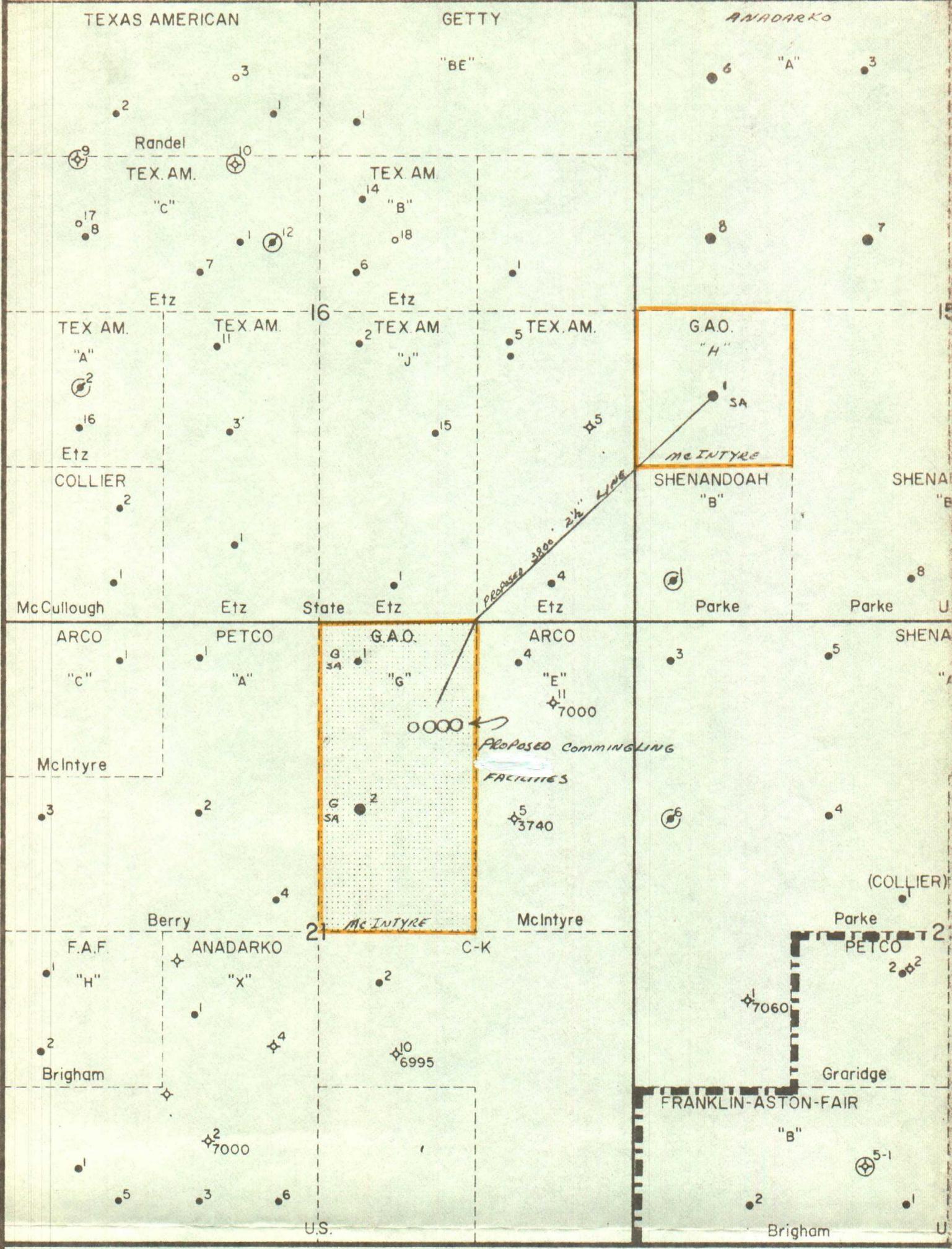


WHEN A WELL IS ON TEST IT WILL BE CARRIED THROUGH THE HEATER TREATER WHILE THE OTHER TWO WELLS NOT ON TEST WILL BE DIVERTED TO A SEPARATE STOCK TANK

17  
S

U.S. R-30-E

U



- ⊙ Water Injection Wells
- ▨ General American Leases
- ▬ Unit Outline
- G - GRAYBURG PROD
- SA - SAN ANDRÉS PROD.