





July 7, 1971

C. J. Dexter Estate
Bank of America National Trust and Savings Assoc.
Executor of Estate of C. J. Dexter
Beverly Hills District Trust
Suite 200, 1800 Avenue of the Stars
Los Angeles, California 90067

Dear Sir:

General American Oil Company of Texas is the owner and operator of several properties in Eddy County, New Mexico in which the lat C. J. Dexter and the late J. W. Berry owned overriding royalties. In the past six menths a number of wells have been drilled on these properties in which they had overriding royalties, one well Burch C #19 was drilled on a lease where no tank battery and facilities were available. This well is located in Section 18 Twp. 17 South Rgs. 30 East, Eddy County, New Mexico.

General American Oil Company of Texas is seeking to obtain administrative approval for off lease storage for production from the Burch C lease. The proposed off lease storage site would be located on the Koely C lease, in which Hr. Dexter and Mr. Berry also owned royalty interest. A plat is attached showing the proposed site and showing both leases involved outlined in yellow.

Reasons for socking off lease storage are: (1) A pipeline connection for the oil is available at the Kaely C site which will save 20 cents per barrel for both the operator and the royalty owner if oil does not have to be trucked. (2) A gas sales consection is available so gas can be sold, if the battery is not located at this site gas would probably be flared as the amount of gas would not be sufficient to build a pipeline for one well, (3) Disposition of produced water will be much easier having the batteries located at a central location.

We are sending you this letter in compliance with New Mexico Oil Conservation Commission Rule 309-C a copy of this Rule is attached. As you will note in section (5) the rule requires that all owners be contacted by registered or Certified mail. We are also employing a copy of the application which we will file with the New Mexico Oil Conservation Commission.

If you have any questions please call W. E. Walter Area Code (505) 677-2481 collect in Loce Hills, New Mexico.

Yours very truly,

CEMERAL AMERICAN OIL CO. OF TEXAS

W. E. Welter, District Superintendent

WEW/rle Engls.

GG: New Mexico Oil Conservation Commission H. W. Krouskop PLEASE FURNISH SERVICE(S) INDICATED BY CHECK DE 10-100 A REQUIRED FEE(S) PAID.

ITON OMNOMIC SERVICE DIRECTORES

Where delivered

CERTIFIED NO.

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ON THE SERVICE OF THE SERV

July 7, 1971

Mrs. J. W. Berry P. O. Box 577 Artesia, New Mexico 88210

Dear Mrs. Berry:

General American Oil Company of Texas is the owner and operator of several properties in Eddy County, New Mexico in which the late J. W. Berry and the late C. J. Dexter owned overriding royalties. In the Past six months a number of wells have been drilled on these properties in which they had overriding royalties, one well Burch C #19 was drilled on a lease where no tank battery and facilities were available. This well is located in Section 18 Twp. 17 South Rgs. 30 East, Eddy County, New Mexico.

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Reasons for seeking off lease storage are: (1) A pipeline connection for the oil is available at the Keely C site which will save 20 cents per barrel for both the operator and the royalty owner if oil does not have to be trucked.

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Yours very truly,

GENERAL AMERICAN OIL COMPANY OF TEXAS

W. E. Walter, District Superintendent

WEWfric Encls.

cc: New Mexico Oil Conservation Commission N. W. Krouskop