

OIL CONSERVATION COMMISSION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

November 26, 1968

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

Attention: Mr. W. E. Walter

Administrative Order OLS-69

Gentlemen:

Reference is made to your application dated October 28, 1968, wherein you request authority to construct the tank battery for your Beeson "F" Federal Lease located in Section 31, Township 17 South, Range 30 East, Loco Hills Pool, Eddy County, New Mexico, on your Keely "C" Federal Lease in Section 29, Township 17 South, Range 29 East.

Pursuant to the provisions of Rule 309-C of the Commission Rules and Regulations, you are hereby authorized off-lease storage as described above, provided that there shall be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Artesia  
Oil & Gas Engineering Committee - Hobbs  
United States Geological Survey - Roswell

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

Attention: Mr. W. E. Walter

Administrative Order OLS-69

Gentlemen:

Reference is made to your application dated October 28, 1968, wherein you request authority to construct the tank battery for your lease "F" Federal Lease located in Section 31, Township 17 South, Range 20 East, Loco Hills Pool, Eddy County, New Mexico, on your Keyly "C" Federal Lease in Section 29, Township 17 South, Range 20 East.

Pursuant to the provisions of Rule 302-C of the Commission Rules and Regulations, you are hereby authorized oil lease storage as described above, provided that there shall be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP:LSK/ear

cc: Oil Conservation Commission (with enclosure) - Arceles  
Oil & Gas Engineering Committee - Hobbs  
United States Geological Survey - Rowell

# GENERAL AMERICAN OIL COMPANY OF TEXAS

DISTRICT OFFICE  
BOX 416  
LOCO HILLS, NEW MEXICO 88255

October 28, 1968

OLS-69

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 production of fluids from its Beeson F federal lease to be transported prior to measurement to its Keely C federal lease for storage thereon in separate facilities. General American has operated both leases since 1949 date of acquisition from Republic Petroleum Company.

Currently plans are being made to build an injection plant at the proposed battery location to reinject all produced water from the Keely C wells and the Loco Hills wells. Economics no longer warrant the reconstruction of the facilities at the Loco Hills plant.

By bringing the Loco Hills production of oil and water to the proposed Keely C plant site the Beeson F lease can be operated for an additional period of time.

Attached is a plat showing the two leases being considered colored in yellow. The plat shows all wells located on the two leases and indicates the producing zones. Currently the Loco Hills Beeson F lease has two flowing wells and two pumping wells making a lease total of 32 barrels of oil and 590 barrels of water per day. Currently the water is being re-injected at the Loco Hills plant which is becoming economically beyond repair.

The Keely C lease has 29 pumping wells making a lease total of 74 barrels of oil and 82 barrels of water per day.

Loco Hills storage will consist of a separator, a 500 barrel wash tank and a 500 barrel stock tank. The Keely C storage will have a separator, a free water knock out and two 500 barrel stock tanks.

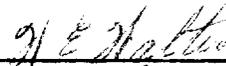
October 28, 1968  
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In reference to items 1 thru 6 of Rule 309-C we submit the following:

- (1.) All production on the Beeson F lease to be stored off the lease is from a common source of supply.
- (2.) Commingling of production from the two leases will not occur.
- (3.) There will be no intercommunication of the handling, separating or storage facilities designated to each lease.
- (4.) Not applicable.
- (5.) Not applicable.
- (6.) The only other ownership of the Beeson F lease is the Federal Government 12.5% royalty. A statement of approval of this application from the Regional Oil and Gas Supervisor of the United States Geological Survey is attached.

Respectfully submitted,

GENERAL AMERICAN OIL COMPANY OF TEXAS



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W. E. Walter  
District Superintendent

WEW/rl  
Encls.

cc: L. P. O'Neill