

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 24, 1971

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

Attention: Mr. W. E. Walter

Administrative Order OLS-76

Gentlemen:

Reference is made to your application for authority to construct the tank battery for your Burch "B" Lease in Section 18, Township 17 South, Range 30 East, Grayburg Jackson Pool, Eddy County, New Mexico, on your Keely "C" Lease in Section 13, Township 17 South, Range 29 East.

General American is hereby authorized off-lease storage for the subject lease 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/DEN/dr

**cc: Oil Conservation Commission - Artesia
United States Geological Survey - Roswell**

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OLC-76
Loco-Hills, New Mexico
May 20, 1971

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 request an exception to Rule 309-A to permit the production of Oil and Gas from its Burch B lease to be transported prior to measurement to its Keely C lease for storage thereon in separate facilities.

By bringing the Burch B production to the site of the Keely C battery we will have a pipeline connection for the oil, and Phillips is currently laying a gas line to this site which would only require additional metering facilities for the sale of the Burch B gas. Also by building the Burch B battery at the Keely C site it will allow for easier gathering and disposing of produced waters.

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. There are two wells located on the Burch B lease both are new wells and have not been potentiated at this time.

The Keely C battery currently consist of a heater treater and two 500 barrel stock tanks. The Burch B lease will have a separator, water knock and two 436 barrel stock tanks.

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

- (1) All production on the Burch B lease to be stored off of 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, treating or storage facilities designated to each lease.
- (4) Not applicable.
- (5) Not applicable.

- (6) The only other ownership of the Burch B 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 Co. of Texas



W. E. Walter, District Superintendent

WEW/rlc

Encls.

cc: N. W. Krouskop



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Drawer 1857
Roswell, New Mexico 88201

May 17, 1971

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

Gentlemen:

Your letter May 4, 1971, requests approval of off-lease storage for production from that portion of lease Las Cruces 028793-84(b) embracing the NW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$ sec. 18, T. 17 S., R. 30 E., N.M.P.M., Eddy County, New Mexico. The off-lease storage will be located at the tank battery of lease LC 028784(c) in the NE $\frac{1}{4}$ sec. 13, T. 17 S., R. 29 E. The production from each of the two leases is to be handled in separate storage facilities.

The method of off-lease storage described by your letter and plat is hereby approved subject to approval by the New Mexico Oil Conservation Commission. This approval does not in any way authorize the commingling of the oil or gas production of the two leases involved. The proposed separate storage facilities at the tank battery should be properly marked and identified with signs reflecting the lease from which the production originated.

You are requested to notify the District Engineer, U. S. Geological Survey, Post Office Drawer U, Artesia, New Mexico, 88210, when the installation is completed and operative so that it can be inspected.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

SUNRAY

GENERAL AMERICAN

T-175-R-29c

T-175-R-30c

GENERAL AMERICAN

GENERAL AMERICAN

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GENERAL AMERICAN

U.S.

Dodd

GENERAL AMERICAN

GENERAL AMERICAN

Key C L.C. 025784(c)

GENERAL AMERICAN

Burch B L.C. 028793 84(b)

Burch C L.C.

GAOC

KC BATTERY

PROPOSED BUCH B BATTERY

TRUNK

2-500 B61

TRUNK

PROPOSED

FLAW LINE

436 B61 510-4 TRUNKS

QUARTER KNOCK OUT

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