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GENERAL AMERICAN OIL COMPANY OF TEXAS

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JUL
DISTRICT OFFICE
BOX 416
LOCO HILLS, NEW MEXICO 88255
July 23, 1971

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

OLS -

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 C lease to be transported prior to measurement to its Keely C lease for storage thereon in separate facilities.

By brining the Burch C production to a site near the Keely C battery we will have a pipeline connection available for the Oil and Gas. The gas hook up will only require separate metering facilities. Also gathering and disposal of produced water will be easier with batteries located at a central site.

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. At the current time there is only one well located on the Burch C lease.

The Keely C battery consist of a heater treater and two 500 barrel stock tanks. The Burch C battery will have a heater treater and two 500 barrel welded steel stock tanks.

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

- (1) All production on the Burch C 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) See (5)
- (5) Copies of the Certified letters mailed to Mrs. J. W. Berry and C. J. Dexter Estate are attached. These are the only royalty owners except for the Federal Government.

Re, Burch C lease. T H E R O O L E

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(6) Also attached is a letter of approval from the Oil and Gas Supervisor of the United States Geological Survey.

Respectfully yours,

GENERAL AMERICAN OIL CO. OF TEXAS



W. E. Walter, District Superintendent

WEW/rlc

Encls.

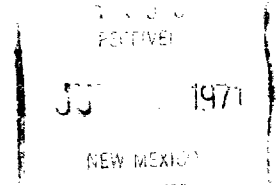
cc: N. W. Krouskop



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer 1857
Roswell, New Mexico 88201



July 21, 1971

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

Gentlemen:

Your letter of July 6, 1971 requests approval for off-lease storage of Grayburg-San Andres production from oil and gas lease Las Cruces 028793(c), involving one well in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 18, T. 17 S., R. 30 E., N.M.P.M., Eddy County, New Mexico. The tank battery is to be located adjacent to the tank battery for lease Las Cruces 028784(c), located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 13, T. 17 S., R. 29 E., N.M.P.M., Eddy County, New Mexico.

The method of off-lease storage described by your letter and plat is hereby approved subject to like approval by the New Mexico Oil Conservation Commission. Each tank battery is to be properly marked and identified with a sign indicating the lease name and serial number.

Please notify the District Engineer, Post Office Drawer U, Artesia, New Mexico 88210, when the installation is completed so that a field inspection can be made.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
N.M.O.C.C., Santa Fe