

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 25, 1964

C Pan American Petroleum Corporation  
P.O. Box 68  
Hobbs, New Mexico

Attention: Mr. V. E. Staley

Administrative Order CTB-118

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Y  
Gentlemen:

Reference is made to your application dated May 20, 1964, for administrative approval of an exception to Rule 309-A of the Commission Rules and Regulations to permit the commingling of Empire Abo production from that portion of Federal Leases Nos. LC-061783-A, LC-061783-B, LC-065478-B, NM-025604, NM-033825, and NM-025530, lying within the N/2 N/2, S/2 NE/4, NW/4 SE/4, and the SW/4 of Section 3, the E/2 of Section 4, the E/2 of Section 9, and the W/2 of Section 10, Township 18 South, Range 27 East, and Empire Abo production from that portion of your Julian E. Simon Lease comprising the SW/4 SW/4 of Section 4 in the same township, Eddy County, New Mexico, after separately and continuously metering the production from each lease. The original authority for this commingling with the exception of the Simon Lease, was granted by Order No. R-1399, dated May 25, 1959.

Under the authority granted me pursuant to Rule 309-B, Pan American Petroleum Corporation is hereby authorized to commingle the above-described production as proposed, subject to the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for temperature compensated meters, samplers, and non-reset counters on the meters. And provided further, that you shall notify the Artesia District Office of the Commission at such time as this installation is complete in order that a field inspection may be made of the installation prior to putting it in use.

That portion of Order No. R-1399 relating to your Empire Abo Storage System III in the above-described acreage is hereby placed in abeyance.

Very truly yours,

A. E. Porter, Jr.  
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission (with enclosure) Artesia  
Oil & Gas Engineering Committee - Hobbs  
United States Geological Survey - Roswell  
Case File 1662



# PAN AMERICAN PETROLEUM CORPORATION

APR 23 1965

P. O. Box 68  
Hobbs, New Mexico

April 23, 1965

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File:

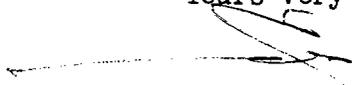
Subject: Administrative Order  
CTB-118 Amendment  
Chalk Bluff Draw #3-P

New Mexico Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico

Dear Sir:

Attached is a copy of Mr. John A. Anderson's letter dated April 19, 1965 granting the United States Geological Survey's authority to commingle Empire Abo production from our Chalk Bluff Draw Well No. 3 with other Empire Abo oil production at our Empire Abo Storage System III.

Yours very truly,



V. E. Staley  
Area Superintendent

VES:jm  
Attachment

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

Drawer 1857  
Roswell, New Mexico 88201

IN REPLY REFER TO:

RECEIVED	
PAN AMERICAN	
PETROLEUM CORP.	
APR 23 1965	
HOBBS, N. M.	
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AF2	1
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April 19, 1965

Pan American Petroleum Corporation  
P. O. Box 68  
Hobbs, New Mexico

Gentlemen:

Your letter of April 2 requests approval to commingle Abo oil produced from Chalk Bluff Draw well No. 3-P, SE $\frac{1}{4}$ NE $\frac{1}{4}$  sec. 8, T. 18 S., R. 27 E., Eddy County, New Mexico, lease Las Cruces 054205, with other Abo production at your Empire Abo Storage System III, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  sec. 3, T. 18 S., R. 27 E. Said well No. 3-P was determined as a noncommercial unit well.

For royalty purposes pertaining to the system, the volume of oil sales will be prorated back to the leases based upon the metered volumes delivered from each. Form 9-361, Lessee's Monthly Report of Sales and Royalty, for each lease involved, must show all computations used in the calculation of lease sales.

The method of commingling described by your letter 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, Drawer U, Artesia, New Mexico, when the installation is completed and operative so that an inspection can be made.

Sincerely yours,

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

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