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PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

March 29, 1967

File: VES-101-541.112 x 400

Subject: Commingling of Production
Grimm Federal Lease
Cato Storage System III
Cato (San Andres) Field
Chaves County, New Mexico

MB

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RECEIVED

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

Dear Sir:

Pan American Petroleum Corporation respectfully requests an extension to a pending application to commingle production at the Cato Storage System III, requested by our letter of March 16, 1967. The combined application for administrative approval for the commingling of production will consist of the following leases:

Abko Federal Lease - NE/4, Section 10.
Crosby "A" Federal Lease - E/2 of SE/4, Section 8.
Crosby "B" Federal Lease - W/2 of NE/4, Section 9.
Grimm Federal Lease - W/2 of SE/4, Section 9.

All leases are located in T-8-S, R-30-E, N.M.P.M., Chaves County, New Mexico.

In support of our request for exception to Rule 309-A and under the provisions of Rule 309-B to permit the commingling of production from two or more separate leases into a common tank battery without notice and hearing the following is submitted:

1. Plats of the leases showing thereon the wells and the formation in which they are completed.
2. Schematic diagram of the commingling facility, called the Cato Storage System III, located in Unit G, Section 10, T-8-S, R-30-E, Chaves County, New Mexico.

Page Two

Mr. A. L. Porter, Jr.

March 29, 1967

3. Production is from a common source of supply, and the commercial value of the commingled production will be unchanged.
4. All parties owning an interest in the leases and the purchaser of the commingled production have been notified by certified mail of our intention to commingle the production from these leases.
5. Production will be metered and sampled separately prior to commingling, utilizing A. O. Smith T-6 temperature compensated meters.
6. The BS&W content will be determined every eight days, and the production recorded.
7. Adequate facilities will be installed to permit determination of the producing capacity of each well on each lease at least once each month, in accordance with applicable provisions of the current Commission Manual for the Installation and Operation of Commingling Facilities.

Yours very truly,



V. E. Staley
Area Superintendent

Attachments

MAILING LIST

Abko, Inc.
605 South Jersey Street
Denver 22, Colorado

Amco Oil Corporation
Suite 1408 Tower Building
1700 Broadway
Denver 2, Colorado

Robert Baxter and Lillian C. Baxter
1056 Albion Street
San Diego 6, California

Max W. Coll II
500 North Main
Roswell, New Mexico

Robert L. Haynie
502 North Main
Roswell, New Mexico

Len Meyer
500 North Main
Roswell, New Mexico

W. B. Newberry
Wilco Building
Midland, Texas

James R. Stephens
500 North Main
Roswell, New Mexico

J. Don Wiet
Post Office Box 944
Midland, Texas

Bettylee Winkler
775 Ivanhoe
Denver, Colorado

New Mexico Oil Conservation Commission
Post Office Box 1980
Hobbs, New Mexico

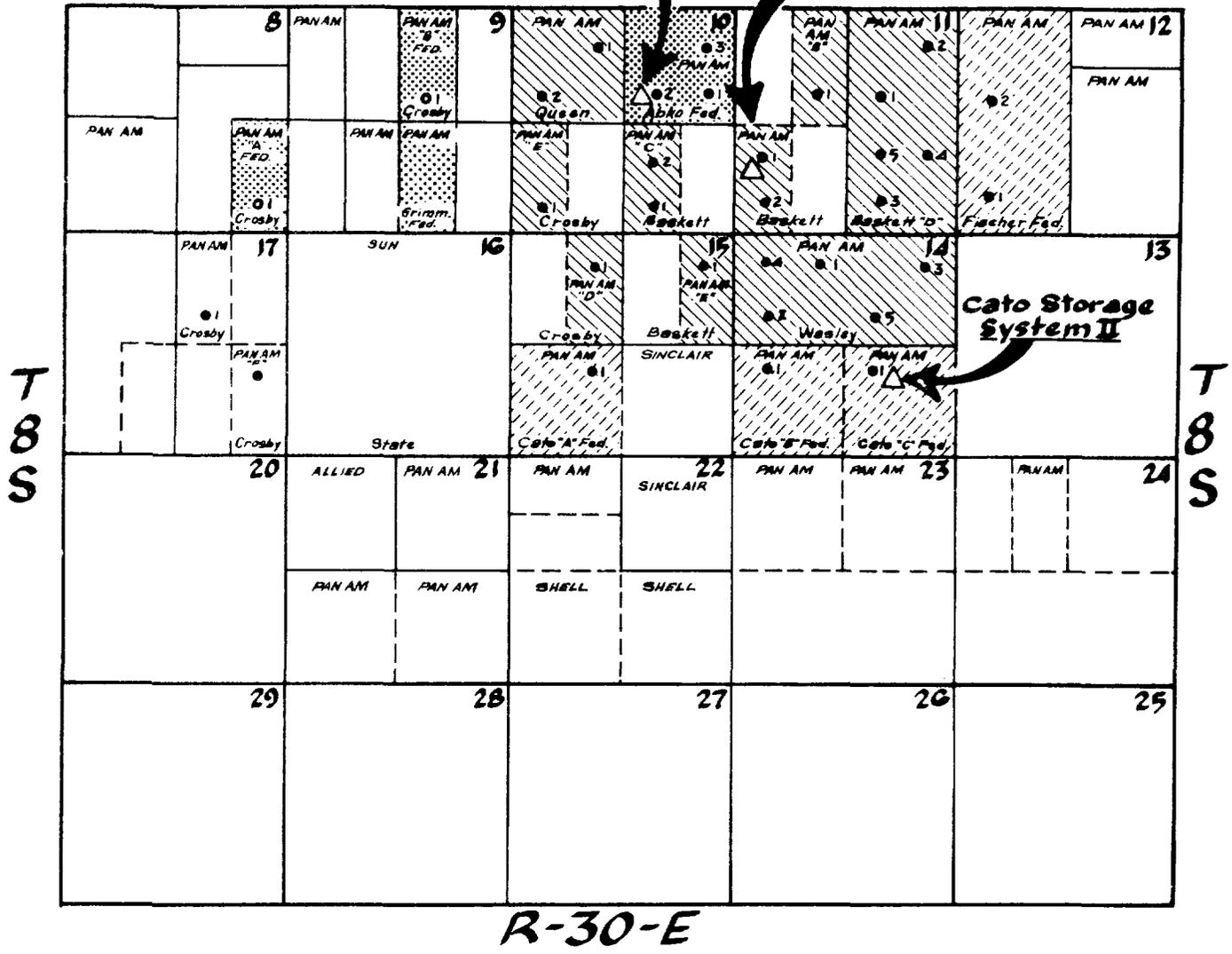
Scurlock Oil Company
428 Mid America Building
Midland, Texas

United States Geological Survey
Post Office Drawer 1857
Roswell, New Mexico

United States Geological Survey
Post Office Box 1157
Hobbs, New Mexico

Bell Petroleum Company
Suite 400
700 Wilshire Boulevard
Los Angeles, California

**Cato Storage System III
Cato Storage System I**



R-30-E

~ PLAT SHOWING ~

**PROPOSED CATO STORAGE SYSTEM III
Location: Unit G, Sec. 10, T-8-S, R-30-E**

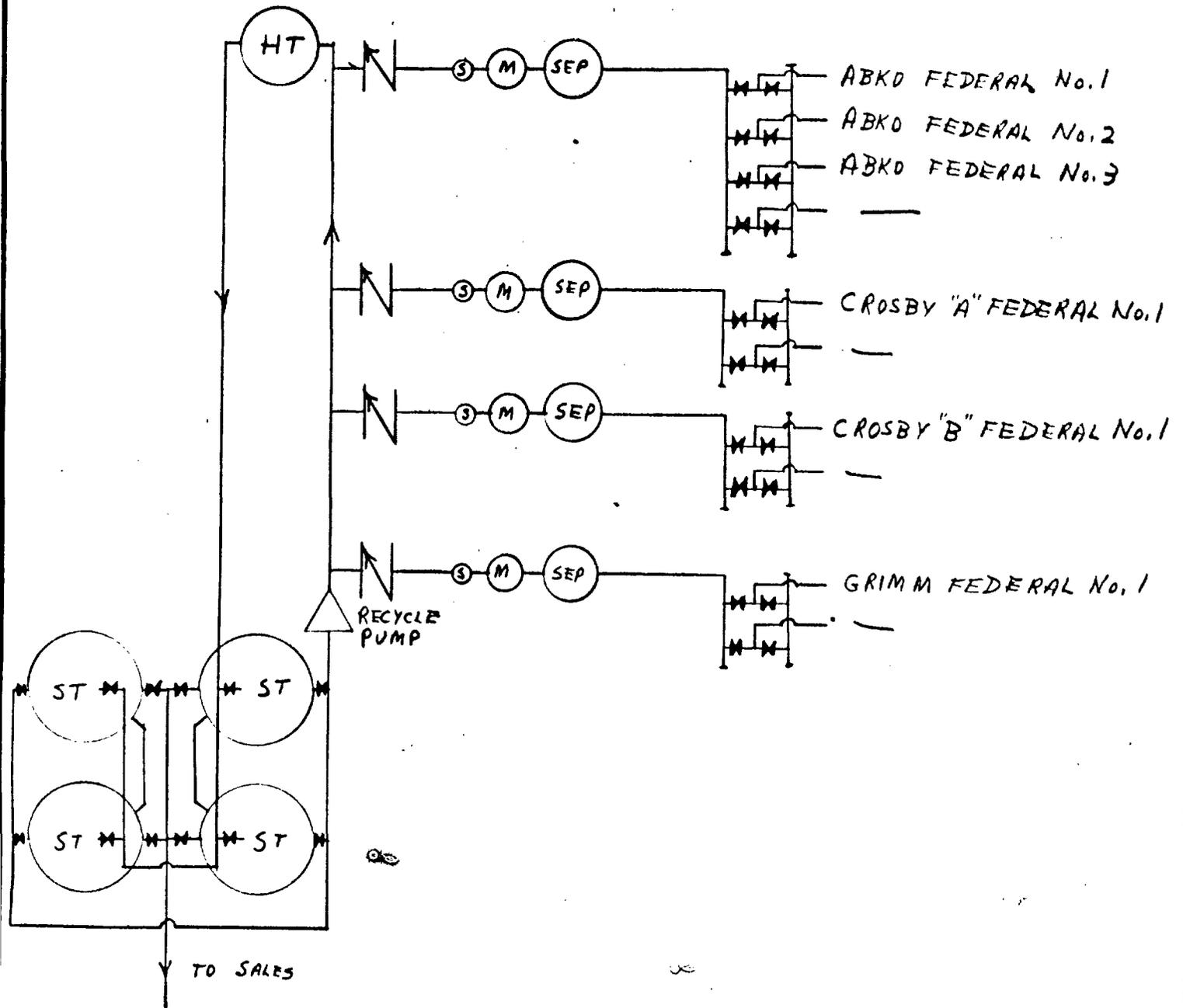
LEGEND

LEASES SERVED BY:

- Cato Storage System I
- Cato Storage System II
- Cato Storage System III

**CATO-S.A.-POOL
Chaves Co, N.M.**

1" = 4000'



PAN AMERICAN PETROLEUM CORPORATION

SCALE: NONE

PROPOSED COMMINGLING-STORAGE SYSTEM III. LOCATION:
 UNIT G, SEC. 10, T-8-S, R-30-E, CHAVES COUNTY, NEW MEXICO

AK 3-15-62

DRG.
 No.

MIN OFFICE 000

APR 14 PM 1 16

Drawer 57
Roswell, New Mexico 88201

April 13, 1967

Pan American Petroleum Corporation
P. O. Box 68
Hobbs, New Mexico 88240

Attention: Mr. V. E. Staley

Gentlemen:

Your letter of March 31, requests approval to commingle Cato San
Andres oil production from Federal leases New Mexico 0142233, 0155494,
0394427-A, and 0403706.

*Added Field
Crosby A
Crosby B
Primrose Field*

The method of commingling described by your letter is hereby approved.
Any addition or change in the system will require approval by this
office. Form 9-361, Lessee's Monthly Report of Sales and Royalty,
should show all computations used in the calculations of the oil
volume for each lease.

You are requested to notify our Roswell office when the installation
is completed so that a field inspection of the system can be made.

Sincerely yours,

(ORIG. 1GD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil And Gas Supervisor

cc:
File (3)
Roswell
Accounts
NMOCC, Santa Fe - Attn: Mr. A. L. Porter, Jr. ✓

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TO DIRECTOR

FROM SAC, NEW YORK (100-100000)
SUBJECT: [Illegible]

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(ORIG 200) FROM A. ANDERSON

[Illegible text]

100-100000
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