OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE. NEW MEXICO

September 5, 1962

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

Attention: Mr. V. E. Staley

Administrative Order PC-94

Gentlemen:

Reference is made to your application dated August 10, 1962, for administrative approval of an exception to Rule 303 (a) to permit the construction of two separate commingling facilities on your State "AJ" Lease comprising the SW/4 of Section 30, Township 25 South, Range 38 East, NMPM, Lea County, New Mexico. We have just received copy of approval by the Commissioner of Public Lands to your proposed commingling installations.

The first such installation is to be for the commingling of sweet crudes produced from the Blinebry, Fusselman and Tubb Pools, Justis Field, and would be accomplished after separately metering the Blinebry and Tubb liquids and determining the Fusselman production by means of the subtraction method. The second such installation would be a sour tank battery for the commingling of Blinebry production from your State "AJ" Well No. 6 and Langlie Mattix production, and would be accomplished without separately metering the production from either pool and allocating the production on the basis of periodic well tests.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and

OF CONSELLATION COMMISSION P. J. BOX BOY SANIA FE, NEW METICO

4.11 200

The public of the control of the con

4. 19 J. J. Land Jan 1847 - Art 1911

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

-2-

Pan American Petroleum Corporation Hobbs, New Mexico

Operation of Commingling Facilities," and provided further however, that you shall immediately notify the Commission at such time as any well connected to the sour tank battery should become capable of top allowable production.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/DSN/GET

cc: Oil Conservation Commission (with enclosure) - Nobbs

Oil & Gas Engineering Committee - Hobbs

State Land Office - Santa Fe

OIL CONSERVATION COMMISSION

P 0. BOX 571

SANTA FE, NEW NEXALS