## PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68 Hobbs, New Mexico

September 1, 1970

File: VES-306-400.1

Subject: Leak of Condensate HOC Federal Gas COM Lease Eddy County, New Mexico

FROM: PAN AMERICAN PETR. CORP. TO: A ACCO PRODUCTION CO. EFFECTIVE: 2-1-71

New Mexico Oil Conservation Commission Post Office Drawer DD Artesia, New Mexico 88210

Gentlemen:

In accordance with Rule 116 of the Rules and Regulations, State of New Mexico Oil Conservation Commission as revised June 11, 1968, on August 27, 1970, approximately 175 barrels of condensate was lost from a stock tank on our HOC Federal Gas COM Lease, located in Unit F, Section 13, T-22-S, R-33-E, Eddy County, New Mexico, Indian Basin Upper Penn Gas Pool.

A swage nipple on a tank drain line failed, due to corrosion, losing the fluid on the ground adjacent to the battery site. The sandy soil and evaporative quality of the product minimized contamination to within the battery and well site.

Necessary repairs have been made and the equipment restored to use.

Yours very truly, C

V. E. Staley Area Superintendent

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O. C. C. ARTESIA, DEFICIE