OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 29, 1968

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

Attention: Mr. V. E. Staley

AMENDMENT Administrative Order CTB-162

Gentlemen:

Reference is made to your letter dated May 6, 1968, wherein you request authority to include your Barhyte Lease in the Cato Storage System I authorized by Administrative Order CTB-162 dated September 13, 1966, as amended October 18, 1966, December 15, 1966, and twice on February 6, 1967.

It is our understanding that the Barhyte Lease production from the SW/4 of Section 4. Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico, will be separately metered prior to commingling with production from the other leases producing into the same facility. The installation as authorized would then include the following leases: Barhyte Lease, separately metered; Wasley Lease, separately metered; Crosby "B", "D", and "B" Leases, commingled, and separately metered; Baskett "D" Lease, separately metered; and Baskett, and Baskett "B", "C", and "E" Leases, commingled, and separately metered; after being separately metered, the production from the aforesaid leases would then be commingled in Storage System I.

Administrative Order CTB-162 is hereby amended to permit the commingling of the above leases in the manner proposed, subject to the provisions of the Commission "Manual for the Installation

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and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. Please notify the Hobbs District Office of the Commission at such time as the installation is complete in order that an inspection may be made of the installation.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission (with enclosure) - Hobbs Oil & Gas Engineering Committee - Hobbs