

Case No.

1551

Large Exhibits

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BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
P. O. Box 6721  
Roswell, New Mexico

November 4, 1958

Pan American Petroleum Corporation  
Box 899  
Roswell, New Mexico

Attention: Mr. C. L. Kelley

Gentlemen:

Your letter of July 17, 1958 requested approval to commingle oil produced from the Abo formation by wells located on leases Las Cruces 065478(b) and 067858 in secs. 10 and 11, T. 18 S., R. 27 E., N.M.P.M., Eddy County, New Mexico.

Our letter of August 8, 1958 granted the approval requested subject to the condition that production from individual Abo wells would be metered separately before being run into common storage.

Your letter of October 13, 1958 advises that oil production from the Abo formation in this immediate area may be from a larger reservoir than heretofore anticipated and requests approval to commingle oil from the Abo formation produced by wells on the two Federal leases previously approved by our letter of August 8, 1958, on the portion of leasehold New Mexico 025604 described as the S $\frac{1}{2}$ SE $\frac{1}{4}$  sec. 3 and the W $\frac{1}{2}$  sec. 10, T. 18 S., R. 27 E., and on State leases embracing lands in sec. 2, T. 18 S., R. 27 E. The oil production from each lease would be separately metered before it is run into storage with production from other leases by positive meters which would be periodically calibrated and tested.

We have no authority to approve the commingling of oil produced from State lands and your application is denied as to the State lands. However, we offer no objection to the commingling of oil produced from the Abo formation by wells located on Federal leases Las Cruces 065478(b), 067858 and New Mexico 025604, in secs. 3, 10 and 11, T. 18 S., R. 27 E., N.M.P.M., subject to the condition that adequate separation facilities shall be maintained for the fluid produced from each leasehold and the net oil produced from individual leases is metered before it is run into common storage. We will also require adequate test facilities to periodically test the oil and gas production from each well.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
PAN AM	EXHIBIT NO. 3
CASE NO.	1551

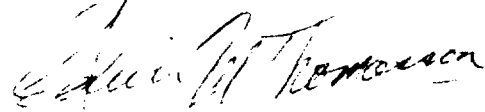
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ROSWELL DISTRICT OFFICE	

Your letter of October 21, 1958, supplements your letter of October 13 and requests our approval of your proposal to produce more than 16 wells into a common tank battery. These wells will be Abo wells located on Federal leases Las Cruces 065478(b), 065858 and New Mexico 025604 within secs. 3, 10 and 11, T. 18 S., R. 27 E., N.M.P.M.

This office offers no objection to your proposal of producing more than 16 Abo wells on the above Federal leases into a common tank battery subject to the above requirements, provided that approval is obtained from the New Mexico Oil Conservation Commission.

Very truly yours,



EDWIN M. THOMASSON

Acting Oil and Gas Supervisor

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