

PAN AMERICAN PETROLEUM CORPORATION

Lubbock, Texas

June 28, 1960

File: WJS-5536-541.113 x 986.510.1

Subject: Commingling and LACT Hearing,
Various Leases, Empire Abo Field
Eddy County, New Mexico

Mr. A. L. Porter, Jr. (2)
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Please refer to Mr. Alex Clarke, Jr.'s letter of June 8, 1960, File: GWK-315-986.510.1, which transmitted five separate applications for hearing relating to commingling and/or LACT installations in the Empire Abo Field. By telegram dated June 10, 1960, Mr. Clarke requested that you not docket those applications for hearing since Mr. John Anderson with the USGS had advised that his office would not consent to commingling of crude from Federal Leases with crude from State Leases. We appreciate your attention to this request.

In view of Mr. Anderson's position, we are transmitting three other separate applications for hearing relating to commingling and/or LACT installations in the Empire Abo Field. These three applications are in lieu of the five applications transmitted by our letter of June 8, 1960. Submission is made in this manner at the suggestion of Mr. Nutter so that the convenience of the Commission can govern whether one or more hearings are called.

In his letter of June 8, 1960, Mr. Clarke made a request also for permission to temporarily store off-lease the production from certain leases pending NMOCC hearing of and action upon our request for approval to install and operate the subject commingled storage and automatic custody transfer facilities. Subsequently, we were granted permission to do this by Mr. M. L. Armstrong, Supervisor District No. 2, NMOCC, Artesia, New Mexico, as evidenced by his letter of June 17, 1960, to Mr. A. J. Inderrieden, copy to you.

Yours very truly,

A. J. Inderrieden
District Engineer

AHG:es

PAN AMERICAN PETROLEUM CORPORATION

Box 268
Lubbock, Texas
June 28, 1960

Case 2079

File: WJS-5541-541.113 x 986.510.1

Subject: Commingling and LACT Hearing
Various Federal Leases
Empire Abo Pool
Eddy County, New Mexico

Mr. A. L. Porter, Jr. (2)
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

We respectfully request that the New Mexico Oil Conservation Commission set on an early docket a hearing wherein Pan American Petroleum Corporation can present application for approval to commingle the production from additional Federal leases with the production from those Federal leases for which commingling was previously approved by Commission Order No. R-1399 and to handle this additional Federal lease production with automatic custody transfer facilities which were previously authorized by Commission Order R-1399-A.

Following the hearing of Case No. 1662, the New Mexico Oil Conservation Commission entered Order No. R-1399 granting Pan American Petroleum Corporation permission to commingle production from seven separate Federal leases in the Empire Abo Pool, Eddy County, New Mexico; and following the hearing of Case No. 1773, the New Mexico Oil Conservation Commission entered Order No. R-1399-A further granting Pan American Petroleum Corporation permission to install and operate two automatic custody transfer systems; the first to handle that portion of the Empire Abo Pool production permitted to be commingled by paragraph (1) of said Order No. R-1399, and the second to handle that portion of the Empire Abo Pool production permitted to be commingled by paragraph (2) of said Order No. R-1399. We now desire to amend Orders No. R-1399 and R-1399-A as follows:

Order No. R-1399 - Amend to permit the commingling of Empire Abo Pool production from Federal Lease No. LC-064050-A, described as E/2 SE/4 Section 34 and NW/4 SW/4, Section 35, T-17-S, R-27-E, with the Empire Abo Pool production from those Federal leases for which commingling was approved by paragraph (1) of Order No. R-1399.

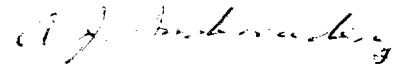
And further amend to permit the commingling of Empire Abo Pool production from Federal Lease No. NM-025602, described as the NW/4 and the N/2 SW/4 Section 15, T-18-S, R-27-E, with the Empire Abo Pool production from those Federal leases for which commingling was approved by paragraph (2) of Order No. R-1399.

Order No. R-1399-A - Amend to permit the handling of Empire Abo Pool production from the above described Federal Lease No. LC-064050-A by the automatic custody transfer system authorized by paragraph (1) of Order No. R-1399-A.

And further amend to permit the handling of Empire Abo Pool production from the above described Federal Lease No. NM-025602 by the automatic custody transfer system authorized by paragraph (2) of Order No. R-1399-A.

Attached hereto is a lease plat of that portion of the Empire Abo Pool covered by Orders No. R-1399 and R-1399-A. The Federal leases covered by paragraph (1) of Orders No. R-1399 and R-1399-A are enclosed by a solid green line. The Federal Lease No. LC-064050-A which is covered by the first proposed amendment of these same orders is enclosed by a broken or dashed green line. The Federal leases covered by paragraph (2) of Orders No. R-1399 and R-1399-A are enclosed by a solid red line. The Federal Lease No. NM-025602 which is covered by the second proposed amendment of these same orders is enclosed by a broken or dashed red line.

Yours very truly,



A. J. Inderrieden
District Engineer

AHG:es
Attachment