

#### LEGEND

STATE "BR" LEASE  
NE/4 NE/4 SEC. 16-18-27  
LEASE NO. B-7298

- A. Flowline from State "BR" No. 1
- B. Treater
- C. Lease Storage
- D. Pipeline Connection
- E. Gas Sales Meter & Connection

MALCO "N" LEASE  
NW/4, N/2 SW/4 SEC. 15-18-27  
LEASE NO. NM-025602

- 1. Flowline from Malco "N" No. 1
- 2. Treater
- 3. Off-lease Storage
- 4. Pipeline Connection
- 5. Gas Sales Meter & Connection

#### PAN AMERICAN PETROLEUM CORPORATION

SCHEMATIC FLOW DIAGRAM - PROPOSED OFFLEASE STORAGE FOR MALCO "N" LEASE,  
EMPIRE ABO POOL, NE/4 NE/4 SEC. 16-18-27, EDDY COUNTY, NEW MEXICO

SCALE:

DRG.  
NO.

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**IN REPLY REFER TO:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 6721  
Roswell, New Mexico

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Jul

July 26, 1960

[illegible]

Pan American Petroleum Corporation  
P. O. Box 268  
Lubbock, Texas


Attention: Mr. Neil S. Whitmore

Gentlemen:

Your telegram of July 25 requests approval to store Empire Abo production from that portion of lease New Mexico 025602 described as the NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$  sec. 15, T. 18 S., R. 27 E., N.M.P.M., Eddy County, New Mexico in separate tankage at the site of your State "BR" lease tank battery, in lieu of commingling said production with that being produced into the central storage installation in sec. 3, T. 18 S., R. 27 E., as was approved by our letter of July 14. You have stated that the quantity of water being produced by your Malco "N" well No. 1 is such that you do not wish to commingle its production in the central storage area in sec. 3. You have expressed doubt, however, that a pipeline connection could be secured if storage were made on the lease and propose to produce the Malco "N" No. 1 through a separate heater into separate tankage at the site of your State "BR" lease tank battery where a pipeline connection is already available.

Your proposal to furnish off-lease storage for the above described portions of lease New Mexico 025602 is satisfactory to this office. Please furnish at your earliest convenience, duplicate copies of a schematic diagram showing how production from said lease portion is handled from wellhead to pipeline.

Very truly yours,

Very truly yours,  
  
EDWIN M. THOMASSON  
Acting Oil and Gas Supervisor

# State of New Mexico



## Commissioner of Public Lands



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MURRAY E. MORGAN  
COMMISSIONER

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P. O. BOX 791 SANTA FE, NEW MEXICO	

August 22, 1960

In reply refer to:  
Oil and Gas Division

Pan American Petroleum Corporation  
P. O. Box 268  
Lubbock, Texas

Attention: Neil S. Whitmore

Dear Sir:

In reply to your request of July 28, to store production from your Federal Lease, NM-025602, in separate storage to be constructed on your State "BR" Lease in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 16, Township 18 South, Range 27 East, this office hereby approves of this operation. This approval is given with the understanding that no commingling is involved, and that the operation is beneficial to the State of New Mexico and to Pan American Petroleum Corporation.

The Commissioner of Public Lands reserves the right to withdraw this approval if at any time this operation proves to be harmful to the State of New Mexico.

Yours very truly,

MURRAY E. MORGAN  
Commissioner of Public Lands

By: *E. L. Buck*  
E. L. Buck  
Geologist

ELB:jw