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	UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY P. O. Box 6721 Roswell, New Mexico	REDEIVED Lubbock District Offices JUL 27 1960 2 DE 11y 26, 1950 DC
Pan American Pe P. O. Box 268 Lubbock, Texas	etroleum Corporation	File

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 NW1, N2SW1 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.

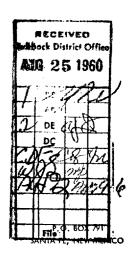
Your proposal to furnish off-lease storage for the above described portions of lease New Mexico 025602 is satisfactory to this office. Please furnish at your earliest convenience, duplicate copies of a schematic diagram showing how production from said lease portion is handled from wellhead to pipeline.

Very truly yours, EDWIN M. THOMASSON

Acting Oil and Gas Supervisor

State of New Mexico





Commissioner of Public Lands

MURRAY E, MORGAN COMMISSIONER

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 $NE_{1}^{1}NE_{2}^{1}$ 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

VIA I By:

E. L. Buck Geologist

ELB:jw