

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

April 2, 1965

File: VES-90-541.112 x 400

Subject: ~~Commingling~~ of Production
Chalk Bluff Draw Well No. 3-P
Into Empire Abo Storage System III
Empire Abo Field
Eddy County, New Mexico

Mr. A. L. Porter, Jr. (3)
Secretary-Director
New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Dear Sir:

Pan American Petroleum Corporation hereby submits application for the ~~commingling~~ of oil production from the Chalk Bluff Draw Well No. 3-P, located in the SE/4 NE/4, Section 8, Township 18 South, Range 27 East, with other Empire Abo Pool production at the Empire Abo Storage System III, located in the SW/4 SW/4, Section 3, Township 18 South, Range 27 East.

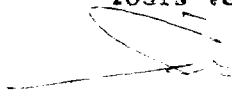
In support of our request for exception to Rule 309-B to permit the ~~commingling~~ in common facilities of oil production from leases of diversified ownership, the following is submitted:

1. Oil production from various Federal leases with wells completed in the Empire Abo Pool is presently ~~commingled~~ at the Empire Abo Storage System III. Permission to ~~commingle~~ production and to produce more than sixteen wells into a common tank battery was obtained May 25, 1959, Order No. R-1399 and Administrative Order No. CTB-118, dated June 25, 1964. Production from each lease is metered and sampled separately prior to ~~commingling~~, utilizing A. O. Smith T-6 temperature-compensated meters. Production from the Chalk Bluff Draw Well No. 3-P will likewise be metered and sampled with an A. O. Smith temperature-compensated meter.
2. The A. O. Smith T-6 meter will be proven monthly in a 10-barrel prover tank.

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3. The B.S.&W. content will be determined every eight days and the production from each lease recorded.
4. In that all wells produce from a common source of supply and the gravity of the liquid hydrocarbons from each lease is the same, the commercial value of the commingled production will be the same as the present commingled production and the production from the Chalk Bluff Draw Well No. 3-P.
5. All parties owning an interest in the Chalk Bluff Draw Well No. 3-P and the purchaser of the commingled production have been sent a copy of this request by certified mail.
6. Plats of the leases, showing the location of wells and the formation in which they are completed, are attached.
7. Schematic diagram of the proposed installation is attached.

Yours very truly,



V. E. Staley
Area Superintendent

Attachments

MAILING LIST

Hopan Corporation
Chase Manhattan Plaza
New York 15, New York

Hondo Oil & Gas Company
Post Office Box 1973
Roswell, New Mexico

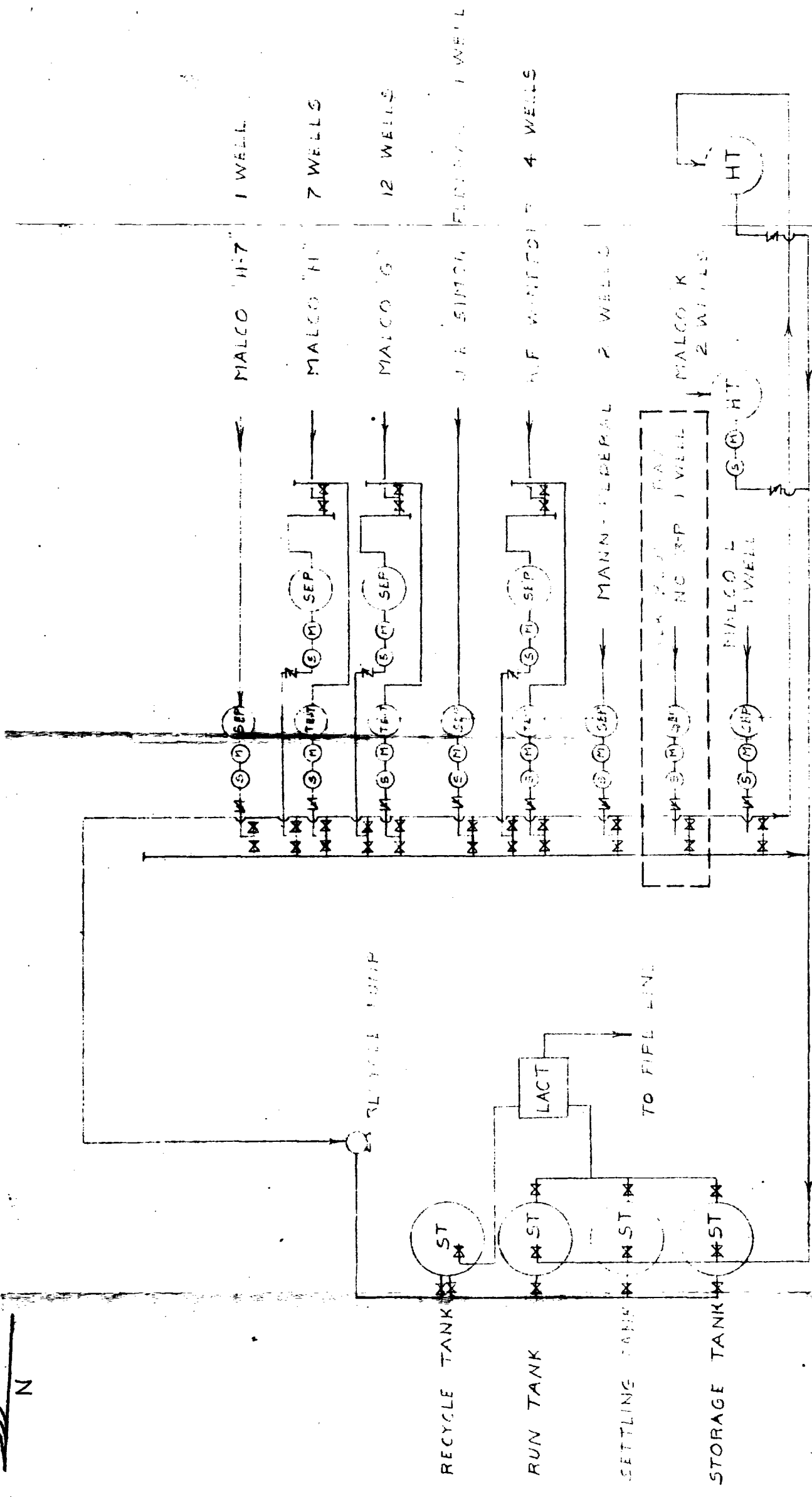
United States Geological Survey
Post Office Drawer 1857
Roswell, New Mexico

Service Pipe Line Company
Post Office Box 337
Midland, Texas

Indiana Oil Purchasing Company
Post Office Box 1725
Midland, Texas

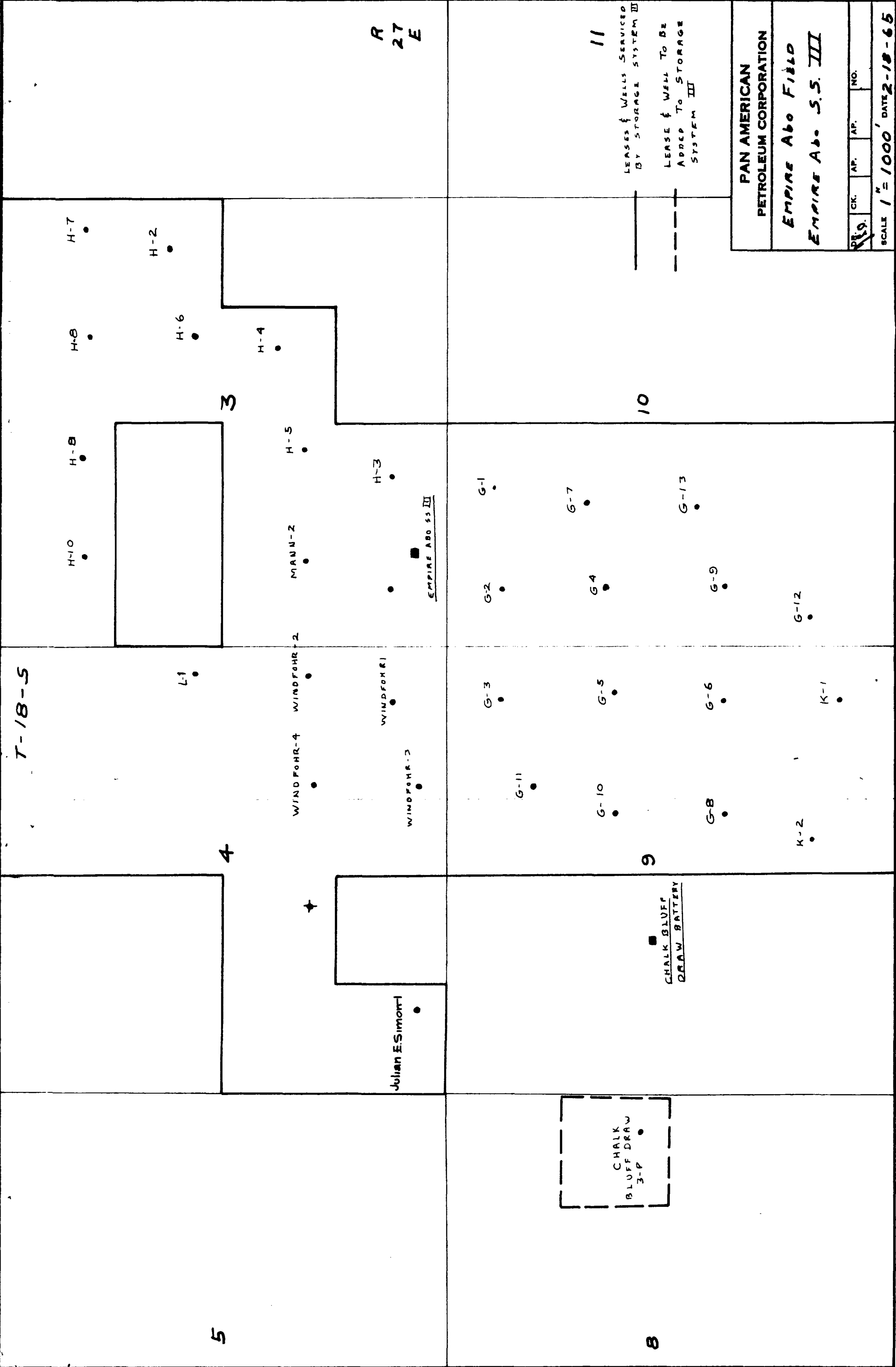
Mrs. Pearl Miller Carr
904 Bullock Avenue Courts
Artesia, New Mexico

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----- PROPOSED ADDITION

| | | | |
|---------------------------------------|------|-----|--------------|
| PAN AMERICAN PETROLEUM CORPORATION | | | |
| EMPIRE ABO STORAGE SYSTEM III | | | |
| SW 1/4 SEC. 3 T1B-S R-27-E | | | |
| DR. JCO | CEL. | AP. | NO. |
| SCALE NONE | | | DATE 3-30-55 |



T-18-S

5

4

3

8

9

10

11

R
27
E

CHALK
BLUFF DRAW
3-P

CHALK BLUFF
DRAW BATTERY

Julian E. Simons

WINDFOHR-4

WINDFOHR-3

WINDFOHR-1

MANN-2

H-3

H-4

H-6

H-2

H-7

H-8

H-10

L-1

G-11

G-3

G-2

G-1

G-10

G-5

G-4

G-7

G-8

G-6

G-9

G-13

K-2

K-1

G-12

LEASES & WELLS SERVICED
BY STORAGE SYSTEM III

LEASE & WELL TO BE
ADDED TO STORAGE
SYSTEM III

PAN AMERICAN
PETROLEUM CORPORATION
EMPIRE Abo FIELD
EMPIRE Abo S.S. III

DR. CK. AP. NO.
19.
SCALE 1" = 1000' DATE 2-18-65