FORM 470 2-57

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68 Hobbs, New Mexico

October 10, 1968

File:

 $VES-402-541.111 \times 400$

Subject: Commingling of Production GILLULLY "B" Federal Lease Lea County, New Mexico

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

1.60 10-111

Gentlemen:

Our letter dated September 25, 1968, File: VES-379-541.111 x 400, Subject: as above, requested amendment to Administrative Order PC-111 to permit the commingling of WEIR Drinkard production from Well 13 with production from other pools on the same lease.

Subsequent to submission, it has been determined that there is no need for the retention of the MONUMENT (GSA) Pool authority, and we hereby request that it be deleted from Order PC-111.

Attached is a copy of the U.S. Geological Survey's authority to commingle the WEIR Drinkard.

Y**our**s very truly,

V. E. Staley Area Superintendent

RRY/jt

cc: NMOCC-Hobbs

Shell Pipe Line Corp. - Midland

Pan American Petroleum Corp, Oil and Gas Purchases, Midland, Texas

Attachment

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UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

Drawer 1857 Roswell, New Mexico

SECEIVED 8320T AMERICAN

PETROLEUM CORPOCTOBER 8, 1968

AF2 AAC

Attention: Mr. V. E. Staley

Hobbs, New Mexico 88240

Pan American Petroleum Corporation

Gentlemen:

P. 0. Box 68

Your letter of September 25 requests approval to modify the commingling system approved by our letter of September 3, 1968, for that portion of lease Las Cruces 031736(b) in the NE% sec. 21 and the NW4, NW4NE4, and NW4SE4 sec. 22, T. 20 S., R. 37 E., Lea County, New Mexico. You propose to add Weir Drinkard pool production from well No. 13, in the SW4NE4 sec. 22, to presently commingled Monument Grayburg-San Andres pool, Weir Blinebry pool, Monument Tubb pool, and Cass Pennsylvanian pool production.

The system for commingling described by the diagram attached to your letter is hereby approved. The addition of any other well to the system or any other change in the system must receive prior approval from this office.

Please notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,

Eddie K. Wyatt

EDDIE R. WYATT

Acting Oil and Gas Supervisor

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68 Hobbs, New Mexico

September 25, 1968

File:

VES-379-541.111 x 400

Subject: Commingling of Production Gillully "B" Federal Lease

Lea County, New Mexico

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

Our letter dated August 26, 1968, File: VES-341-541.112 x 400, Subject: same as above, requested amendment to Administrative Order PC-111 to permit the commingling of production from the Gillully "B" Federal Well No. 12, Cass Penn Oil Pool, with production from the Monument, Monument Tubb, and Weir Blinebry Oil Pools.

Subsequent to the above date, the Gillully "B" Federal Well No. 13, located in Unit G, Section 22, T-20-S, R-37-E, has been completed as a marginal oil producer in the Weir Drinkard Oil Pool. On potential test the well pumped and flowed 70 BO and 236 BW in 24 hours, CGR 34.

It is respectfully requested that further consideration be given to the Amendment of Administrative Order PC-111, providing for the commingling of the Weir Drinkard production with the other pools' production being commingled into our Gillully "B" Federal Commingled Battery No. 2, located in the SW/4 NE/4 of Section 21, T-20-S, R-37-E.

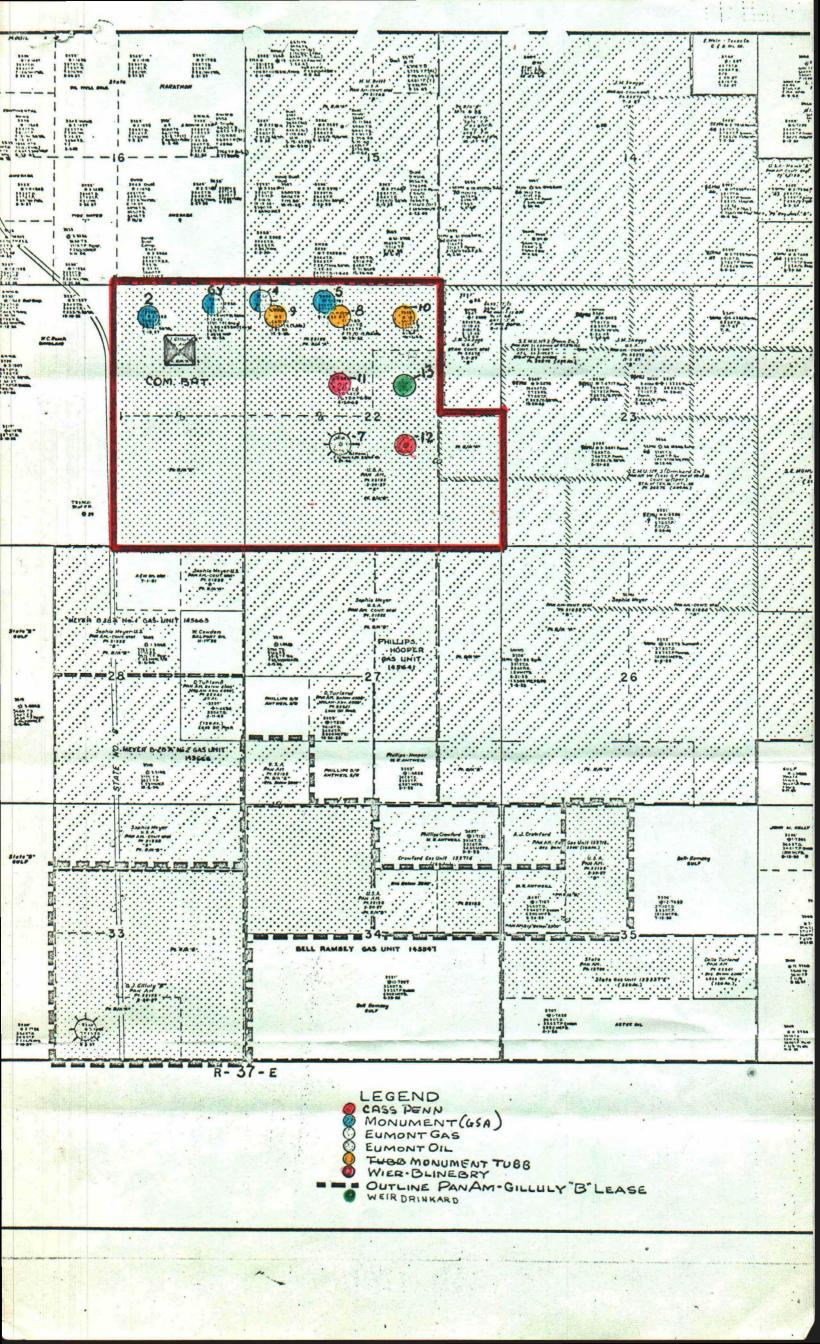
For all practical purposes the actual commercial value of the total commingled production shall remain approximately the same with no loss in revenue being sustained.

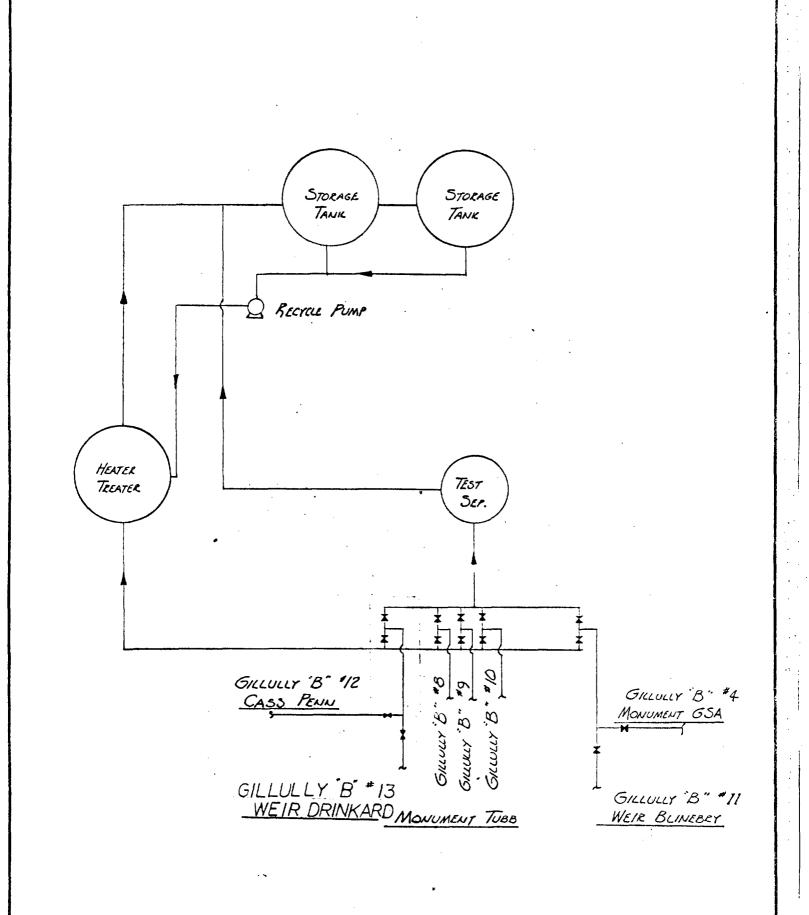
A plat of the Gillully "B" Federal Lease showing all wells and the formation in which completed, and a schematic diagram of the proposed commingling facilities are attached.

V. E. Staley Area Superintendent

RRY/jt

cc: U.S.G.S. (2) - Hobbs, New Mexico N.M.O.C.C. - Hobbs





PROPOSED COMMINGLING INSTALLATION - GILLULLY B"LEASE BATTERY SW/4 OF NE/4 SECT. 21 T-20-S. R-35-E. LEA COUNTY N.MEX. Drg. No. 6/26/68