

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2341
Order No. R-2041

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR AN EXCEPTION TO RULE
303 (a) AND 309 (a), LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 19, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of July, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Pan American Petroleum Corporation, seeks permission to commingle the production from the Hobbs, Bowers, and Hobbs-Drinkard Pools from a number of leases in Sections 3, 4, 5, 9, and 10 in Township 19 South, Range 38 East, and Sections 33 and 34 in Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, in two separate commingling installations, after separately metering the production from each lease and from each pool prior to commingling.

(3) That inasmuch as an industry committee has been appointed to study all phases of commingling and to recommend minimum standards to prevent abuses thereof, it may be that these installations, at a later date, will have to be altered to conform to such standards as the Commission may prescribe.

(4) That approval of the subject application will neither cause waste nor impair correlative rights.

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IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to commingle the production from the Hobbs and Bowers Pools from the following-described leases in its Consolidated Battery No. 1, located in the NW/4 NW/4 of Section 10, Township 19 South, Range 38 East:

E. H. Byers "A"	NW/4 of Section 3, Township 19 South, Range 38 East
W. S. Capps	S/2 of Section 3, Township 19 South, Range 38 East
State "A" Tract 7	W/2 NW/4 of Section 10, Township 19 South, Range 38 East
W. N. Terry Tract 2	N/2 SW/4 of Section 10, Township 19 South, Range 38 East
B. L. Thorp R/A "A"	E/2 NW/4 of Section 10, Township 19 South, Range 38 East
B. L. Thorp R/A "B"	N/2 NE/4 of Section 10, Township 19 South, Range 38 East
B. L. Thorp R/A "C"	S/2 NE/4 of Section 10, Township 19 South, Range 38 East
B. H. Turner R/A "A"	SW/4 NW/4 of Section 34, Township 18 South, Range 38 East
B. H. Turner R/A "B"	NW/4 NW/4 of Section 34, Township 18 South, Range 38 East
B. H. Turner Tract 2	SW/4 of Section 34, Township 18 South, Range 38 East

(2) That the applicant, Pan American Petroleum Corporation, is hereby authorized to commingle the production from the Hobbs, Hobbs-Drinkard, and Bowers Pools from the following-described leases in its Consolidated Battery No. 2, located in the SW/4 of Section 4, Township 19 South, Range 38 East:

E. H. Byers "B"	NE/4 of Section 4, Township 19 South, Range 38 East
H. D. McKinley	NW/4 of Section 5, Township 19 South, Range 38 East
State "A" Tract 1	NW/4 of Section 4, Township 19 South, Range 38 East

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State "A" Tract 2	SE/4 of Section 4, Township 19 South, Range 38 East
State "A" Tract 3	E/2 SW/4 of Section 4, Township 19 South, Range 38 East
State "A" Tract 4	SW/4 of Section 5, Township 19 South, Range 38 East
State "A" Tract 5	NE/4 of Section 9, Township 19 South, Range 38 East
State "A" Tract 6	E/2 NW/4 of Section 9, Township 19 South, Range 38 East
State "A" Tract 10	SE/4 SE/4 of Section 33, Township 18 South, Range 38 East
O. B. Terry	NW/4 NW/4 of Section 9, Township 19 South, Range 38 East
W. N. Terry Tract 1	N/2 SE/4 of Section 9, Township 19 South, Range 38 East
W. N. Terry Tract 3	SW/4 NW/4 of Section 9, Township 19 South, Range 38 East

(3) That the production from each lease and each pool shall be separately metered prior to commingling.

(4) That all meters shall be equipped with non-reset totalizers.

(5) That the testing of wells in each pool on each lease shall be accomplished prior to metering.

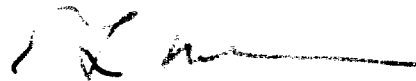
(6) That it may be that these installations, at a later date, will have to be altered to conform to such standards as the Commission may prescribe.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



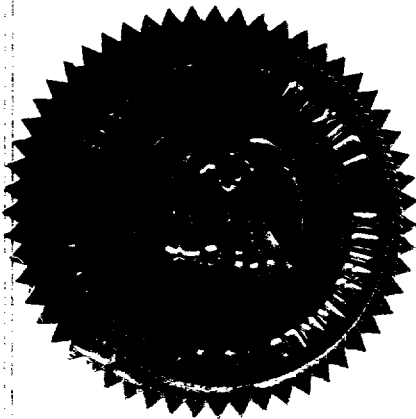
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



esr/