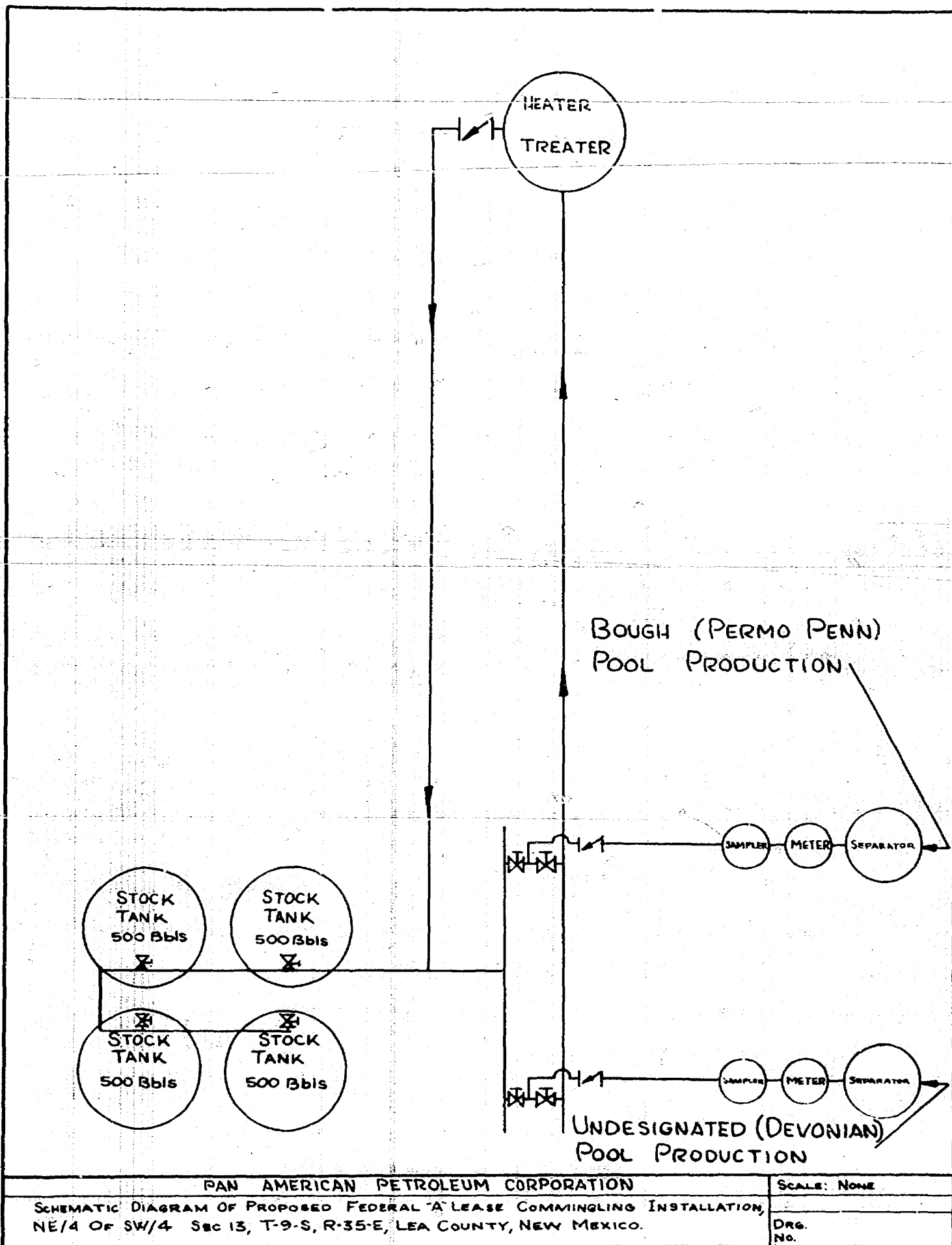


CASE 3266: Application of PAN AM.
for the dual completion of its
FEDERAL "A" WELL NO. 4.

CASE NO.

3266

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.



PERTINENT DATA REGARDING COMINGLING PRODUCTION FROM PAN AMERICAN'S
FEDERAL "A" WELL NO. 4, BOUGH (PERMO PENN-OIL) AND
UNDESIGNATED (DEVONIAN-OIL) POOLS, SEDA COUNTY, NEW MEXICO

In regards to this comingling request, certain pertinent data is listed below:

1. A plat showing the location of all wells on the Federal "A" Lease and pools in which each well is completed has been furnished.
2. A schematic diagram of the proposed tank battery installation which will serve this lease has been furnished.
3. Oil production from each of the two reservoirs will be measured and sampled separately.
4. The meters for each zone will be proven monthly into a strapped storage tank.
5. A BS&W reading will be taken every eight days and the production from each zone recorded.
6. Detailed data of liquid hydrocarbons are as follows:

<u>Pool</u>	<u>Gravity Degrees, API</u>	<u>Oil Value \$/Bbl.</u>	<u>Estimated Annual Production, BO</u>
Bough (Permo Penn)	47.5	\$ 2.95	52,560
Undesignated (Devonian)	43.8	3.01	78,840
Comingled	45.3	2.99	131,400

The commercial value of comingled production will be greater than the sum of the production from each common source of supply by approximately \$526 per year.



10

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

RECEIVED	
Lubbock District Office	
JUN 7 1965	
DS	
AUS	
DSS	
AC	
DE	
1 SP	CB
2 OE	
PS	
WC	
PI	

June 4, 1965

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

Attention: Mr. Neil S. Whitmore

Gentlemen:

419,
John A. Anderson

Your telegram of June 3 requests approval to commingle oil production from the Bough Permian-Pennsylvanian and undesignated Devonian pools in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 13, T. 9 S., R. 35 E., Lea County, New Mexico, lease New Mexico 0450847. Oil from each pool will be separately metered prior to commingling in accordance with applicable provisions of the NMOCG Manual for the Installation and Operation of Commingling Facilities.

The method of commingling proposed in your telegram is hereby approved. You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,

John A. Anderson
JOHN A. ANDERSON
Regional Oil and Gas Supervisor

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator <u>Pat American Petroleum Corporation</u>		County <u>Santa Fe</u>	Date <u>5-7-61</u>
Address <u>P. O. Box 200, Redondo, Texas</u>		Lease <u>Revised "A"</u>	Well No. <u>6</u>
Location of Well	Unit <u>2</u>	Section <u>33</u>	Township <u>34-1-20N</u>
		Range <u>107-1-20E</u>	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES NO
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<u>ROUGH POUND FORM</u>		<u>ROUGH POUND FORM</u>
b. Top and Bottom of Pay Section (Perforations)	<u>9520-00</u>		<u>Open hole: 11,500-11,501</u>
c. Type of production (Oil or Gas)	<u>OIL</u>		<u>OIL</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>		<u>Flowing</u>

4. The following are attached. (Please mark YES or NO)

- NO a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Yes c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- NO d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See attached list.

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES NO. If answer is yes, give date of such notification 5-7-61

CERTIFICATE: I, the undersigned, state that I am the District Engineer of the Pat American Petroleum Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signed By A. J. Ingerich

Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

OFFSET OPERATORS TO PAN AMERICAN'S FEDERAL A LEASE
LEA COUNTY, NEW MEXICO

S/2 Section 12-9S-35E

H. C. Hood, 802 V&J Tower, Midland, Texas

SE/4 Section 11-9S-35E

Tom Schneider, V&J Tower, Midland, Texas

NE/4 Section 14-9S-35E

Pan American - 9/10

Unleased mineral owners:

F. J. Dangle Estate, % Ross Malone, Security Bank Bldg., Roswell, New Mexico
J. E. Simmons, 617 W. Avenue A, Lovington, New Mexico
Howard W. Jennings, Fort Worth National Bank Building, Fort Worth, Texas
M. H. McGrail, Box 604, Hobbs, New Mexico
Mrs. Wade Shipley, % J. E. Simmons, 617 W. Avenue A, Lovington, New Mexico

SE/4 Section 14-9S-35E

Pan American - 1/8

Unleased mineral owners:

Sunshine Royalty Co., Roswell, New Mexico
Leonard Oil Co., Box 400, Roswell, New Mexico
Lois C. Hobbs, 102 W. Adams, Lovington, New Mexico
J. E. Simmons, 617 W. Avenue A, Lovington, New Mexico
C. B. Markham, et al, % Jack Markham, Great Plains Building, Lubbock, Texas

NE/4 Section 23-9S-35E

Pan American - 1/2

Socony Mobil Oil Co., Inc., Hobbs, New Mexico
Sunshine Royalty Co., Roswell, New Mexico
Leonard Oil Company, Box 400, Roswell, New Mexico

S/2 and SW/4 NW/4 Section 24-9S-35E

Coastal States Gas Producing Company, Box 2498, Abilene, Texas

Lot 1, Section 19-9S-36E

John Kelsey, 1207 W. Storey, Midland, Texas

Lots 3, 4, E/2 SW/4 Section 18-9S-36E

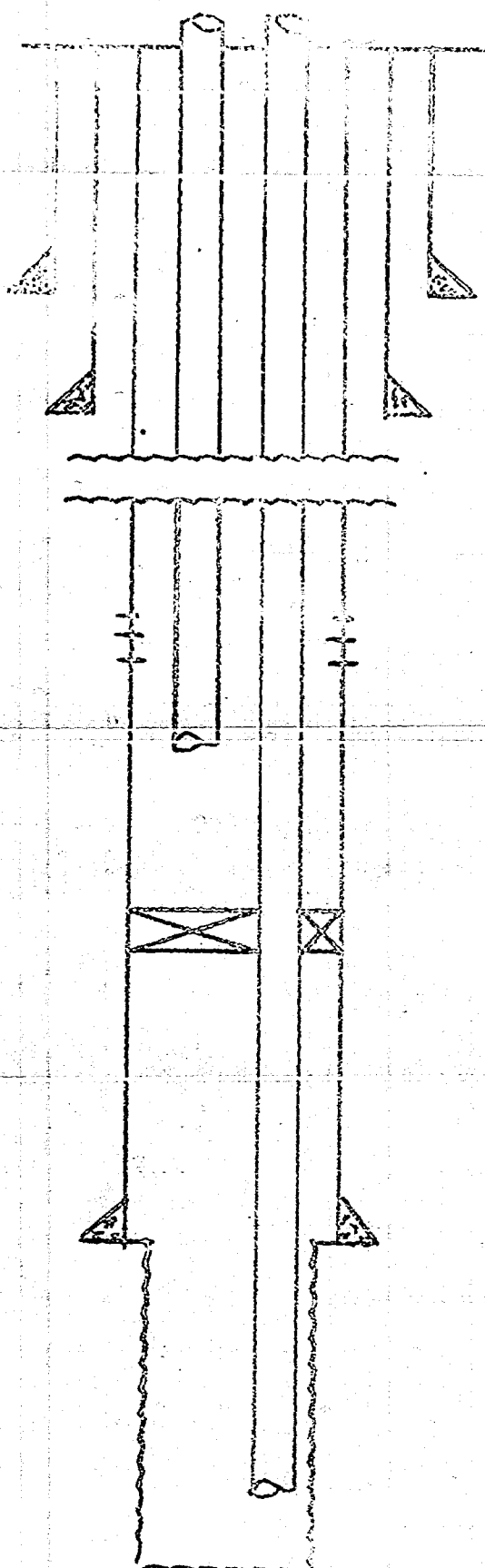
Shell Oil Company, Roswell, New Mexico

SW/4 Section 7 and Lot 1 Section 18-9S-36E

Unleased USA-KGS

Bough "C"
Perforations
Top - 9,550
Bottom - 9,560

Devonian
Open Hole
Top - 11,940
Bottom - 11,991



Surface

13-3/8" OD Casing Set at 449'
Cement Circulated

9-5/8" OD Casing Set at 4,950'
Cement Circulated

2-3/8" OD EUE Tubing Landed at 9,579'
(1.995" ID)

Baker Model "D" Production Packer Set
at 9,648'

7" OD Casing Set at 11,940 w/1300 sx
(Top Cement 7,602')

2-3/8" OD EUE Tubing Landed at 11,963'
(1.995" ID)

TD - 11,991'

DIAGRAMATIC SKETCH

Dual Completion - Pan American Petroleum Corporation's Federal "A" Well No. 4, Unit L, Section 13, Township 9 South, Range 35 East, Lea County, New Mexico

EXHIBIT
PAN AMERICAN PETROLEUM CORPORATION'S
APPLICATION TO DUALY COMPLETE ITS
FEDERAL "A" WELL NO. 4, UNIT L, SEC. 13
T-9-S, R-35-E, LEA COUNTY, NEW MEXICO
IN THE BOUGH (PERMO PENN-OIL) & UNDESIG-
NATED (DEVONIAN-OIL) POOLS AND COMMINGLE
PRODUCTION AFTER SEPARATELY METERING
PRODUCTION FROM EACH POOL.

CASE 3266
JUNE 9, 1965

DISCUSSION

Pan American Petroleum Corporation respectfully requests that the New Mexico Oil Conservation Commission grant permission to dually complete its Federal "A" Well No. 4 in the Bough (Permo Penn - Oil) and Undesignated (Devonian - Oil) Pools, Lea County, New Mexico. It is also requested that approval be granted to commingle the production from these pools, after separately metering the production from each pool.

The Federal "A" Well No. 4 is located 2300' from the south line and 990' from the west line, Unit L, Section 13, T-9-S, R-35-E, Lea County, New Mexico, being about 2 miles northeast of Crossroads, New Mexico. This well is to be completed from the Bough interval and is within the limits of the inactive Bough (Permo Penn) Pool. Completion also will be made in the Undesignated (Devonian - Oil) Pool. The nearest Devonian production is located about three miles to the southeast, being the Crossroads, West (Devonian) Pool. This will be the first multiple completion in these two zones in this area, as shown on Attachment I.

Attachment II is a diagrammatic sketch showing the mechanical aspects of this dual completion, which will be conventional, utilizing two tubing strings in order to produce each zone separately. As noted, a packer will separate the Bough (Permo Penn) and Undesignated (Devonian) zones in the well bore. This installation will permit safe and efficient production of oil from these two reservoirs.

Attachment III is a copy of a portion of the Gamma Ray-Sonic log run in the Federal "A" Well No. 4 with tops and bottoms of the producing zones and perforated intervals indicated in red.

For convenience, a copy of Pan American's application for multiple completion of this well is shown as Attachment IV. As noted, a copy of this application was furnished to each offset operator.

A diagrammatic sketch of the tank battery installation for handling commingled production is shown as Attachment V. It is noted that each zone will be metered separately, prior to entering common storage. This battery will be located in the NE/4 of the SW/4 of Section 13, T-9-S, R-35-E, Lea County, New Mexico.

Pertinent data regarding the commingling of this production is shown on Attachment VI. As noted, Pan American plans to prove each meter monthly, by testing into a strapped storage tank.

Attachment VII is a copy of the United States Geological Survey's consent of Pan American's commingling request. The USGS is the only royalty interest owner under this lease.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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1213 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 20th day of June, 1965.

Ada Dearnley
Notary Public - Court Reporter

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3266, noted by me on June 9, 1965.
Thurli, Examiner
New Mexico Oil Conservation Commission

Q Will these stock tanks be on the same lease as the wells?

A Yes, sir, they will be located in the northeast quarter of the southwest quarter of Section 13.

Q Actually, doesn't the metering of two pools come under administrative approval of our Commingling Manual?

A Yes, it does.

Q But you just threw this thing in?

A The reason it is included is just to have the total program in one form.

MR. UTZ: Are there any other questions of the witness?
If not the witness may be excused. Any other statements in this case? The case will be taken under advisement.

A Yes, sir, it will be submitted as required.

Q Were the attachments to Exhibit 1 either prepared by you or under your direction and supervision?

A Yes, sir, they were.

MR. COOTER: We offer the exhibit and the attachments which comprise it into evidence.

MR. UTZ: Without objection the Exhibit 1 and -- Let me see, how many attachments are there?

A There are seven attachments.

MR. UTZ: -- and the seven attachments contained therein will be made a part of this record.

(Whereupon, Applicant's Exhibit No. 1 was admitted in evidence.)

MR. COOTER: That concludes the direct examination of the witness.

CROSS EXAMINATION

BY MR. UTZ:

Q No doubt you've multiplied out this commercial value here?

A Yes, sir.

Q Just from looking at it it doesn't look like it should be more.

A Well, it's only slightly higher, but it is that much higher.

stated, oil production from the two reservoirs will be measured and sampled separately, and the meters for each zone will be proven monthly, into a strapped storage tank. The BS&W reading will be taken every eight days and the production from each zone recorded.

The gravities of the individual zones and the commingled zone are shown along with their value and the estimated annual production. It's noted that the commercial value of the commingled production will be greater than the sum of the production from each common zone of supply by some \$526.00 per year.

The only royalty interest owner under the Federal "A" Lease is the United States Geological Survey, and Attachment 7 indicates their approval of the commingling as requested.

Q Mr. Cowan, have there been pressure tests made to determine whether or not any casing leaks exist?

A Yes, sir. When casing was set, it was tested to 1,500 pounds and there was no leak indicated.

Q If approval is given by the Commission for the dual completion, Pan American will comply with Rule 112-A and the segregation test and packer-leakage tests, and all will be performed, will they not?

A Is 112-A the packer-leakage test?

Q Yes.

bottoms of the producing zones and intermediate zones are shown on the log, and perforated intervals are shown on the log in red.

The Bough perforations are from 9,550 to 9,560; and the Devonian zone is producing from an openhole interval 11,940 feet to 11,991 feet. This means there is some 2,500 feet vertical distance between the two producing intervals. As noted, seven-inch casing is set on top of the openhole Devonian completion interval.

Q I notice a copy of your application for multi-completion is attached as Attachment 4.

A Yes, sir, this is attached just for convenience. There are two sheets. The second sheet indicates the offset operators with their addresses.

Q What is shown by attachment 5?

A Attachment 5 is a sketch showing the tank battery installation for handling the production from the two zones of completion in the Federal "A" Well Number 4. It's noted that each zone will be metered separately, prior to entering common storage, and the battery will be located in the northeast quarter of the southwest quarter of Section 13, Township 9 South, Range 35 East, Lea County, New Mexico.

Attachment 6 is presented to indicate pertinent data regarding the commingling of the two zones. As previously

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will also be made in the undesignated Devonian Pool. Both zones will be oil completions. The nearest Devonian production is located about three miles to the southeast, being the Crossroads West Devonian Pool. This will be the first conventional multicompletion in these two zones in this area.

The Attachment Number 2 is a sketch showing the mechanical aspects of this dual completion, which will be conventional, utilizing two tubing strings in order to produce each zone separately. It's noted that a production packer will separate the Bough Permo Penn and the undesignated Devonian zones in the wellbore. This installation will permit safe and efficient production of oil from the two reservoirs.

Q Before passing from Exhibit 2 and on to Exhibit, or Attachment 3 to the exhibit, the inside diameter of the casing and the perforations and all are as shown on the diagrammatic sketch?

A Yes, sir, these are correct. The equipment actually installed in the well is as shown.

Q And the cement around the various strings of casing are as shown there?

A Yes, sir, that's correct.

Q Now, I direct your attention to Attachment 3.

A Attachment 3 is a portion of a Gamma Ray-Sonic log which was run in the Federal "A" Well Number 4; tops and

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PAGE 3

Q What does Pan American Petroleum Corporation seek by its application in this case?

A Pan American requests approval to dually complete its Federal "A" Well Number 4 in the Bough Permo-Penn and an undesignated Devonian oil pool, Lea County, New Mexico; and also it seeks approval to commingle the production from these pools after separately metering the production from each pool.

Q I direct your attention to what has been marked as Exhibit Number 1, which consists of several attachments. Would you commence with the first attachment and relate that to the Examiner and tell him what is shown thereby and thereon?

A Yes, sir. The Attachment 1 is a plat of the area in which the Federal "A" Well Number 4 is located. All surrounding wells are shown on the plat and the completion intervals of the wells that are currently producing are shown; as noted, there are several wells which have been plugged and abandoned also shown on the plat.

Offset operators are also noted on the nearby acreage. The Federal "A" 4 is located 2300 feet from the south line and 990 feet from the west line, Unit L, Section 13, Township 9 South, Range 35 East, Lea County, New Mexico, which is about two miles northeast of Crossroads, New Mexico. This well is to be completed from the Bough interval and is located within the limits of the inactive Bough (Permo Penn) Pool. Completion

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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MR. UTZ: The next case will be Case Number 3266.

Application of Pan American Petroleum Corporation for a dual completion and commingling, Lea County, New Mexico.

MR. COOTER: Paul Cooter of Atwood and Malone, Roswell, appearing for the Applicant. We have one witness, Bill Cowan.

(Witness sworn.)

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

WILLIAM C. COWAN, called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. COOTER:

Q Would you state your name for the record, please?

A William C. Cowan.

Q By whom are you employed?

A Pan American Petroleum Corporation.

Q In what capacity are you employed by Pan American?

A Petroleum engineer in their Lubbock District Office.

Q Mr. Cowan, have you previously testified before the New Mexico Oil Conservation Commission?

A Yes, sir.

Q Have your qualifications been made a matter of record?

A Yes, sir.

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PAGE 1

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 9, 1965

EXAMINER HEARING

IN THE MATTER OF: Application of Pan American)
Petroleum Corporation for a dual completion)
and commingling, Lea County, New Mexico.)
Applicant, in the above-styled cause seeks)
approval of the dual completion (conventional)
of its Federal "A" Well No. 4 located in Unit)
1 of Section 13, Township 9 South, Range 35)
East, Lea County, New Mexico, to produce oil)
from the Bough Permo-Penn and an undesignated)
Devonian pool through parallel strings of)
tubing. Applicant further seeks authority to)
commingle the production from said pools on)
said lease after separately metering the)
production from each pool.)

Case No. 3266

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

Case 3266

OFFSET OPERATORS TO PAN AMERICAN'S FEDERAL A LEASE
LEA COUNTY, NEW MEXICO

S/2 Section 12-9S-35E

H. C. Hood, 802 V&J Tower, Midland, Texas

SE/4 Section 11-9S-35E

Tom Schneider, V&J Tower, Midland, Texas

NE/4 Section 14-9S-35E

Pan American - 9/10

Unleased mineral owners:

F. J. Danglade Estate, 7 Ross Malone, Security Bank Bldg., Roswell, New Mexico
J. E. Simmons, 617 W. Avenue A, Lovington, New Mexico
Howard W. Jennings, Fort Worth National Bank Building, Fort Worth, Texas
M. H. McGrail, Box 604, Hobbs, New Mexico
Mrs. Wade Shipley, 7 J. E. Simmons, 617 W. Avenue A, Lovington, New Mexico

SE/4 Section 14-9S-35E

Pan American - 1/8

Unleased mineral owners:

Sunshine Royalty Co., Roswell, New Mexico
Leonard Oil Co., Box 400, Roswell, New Mexico
Lois C. Hobbs, 102 W. Adams, Lovington, New Mexico
J. E. Simmons, 617 W. Avenue A, Lovington, New Mexico
C. B. Markham, et al, 7 Jack Markham, Great Plains Building, Lubbock, Texas

NE/4 Section 23-9S-35E

Pan American - 1/2

Socony Mobil Oil Co., Inc., Hobbs, New Mexico
Sunshine Royalty Co., Roswell, New Mexico
Leonard Oil Company, Box 400, Roswell, New Mexico

S/2 and SW/4 NW/4 Section 24-9S-35E

Coastal States Gas Producing Company, Box 2498, Abilene, Texas

Lot 1, Section 19-9S-36E

John Kelsey, 1207 W. Storey, Midland, Texas

Lots 3, 4, E/2 SW/4 Section 18-9S-36E

Shell Oil Company, Roswell, New Mexico

SW/4 Section 7 and Lot 1 Section 18-9S-36E

Unleased USA-KGS

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR MULTIPLE COMPLETION

5-1-61
COP 3266

Operator Pan American Petroleum Corporation		County Lea	Date 5-7-65
Address P. O. Box 268, Lubbock, Texas		Lease Federal "A"	Well No. 4
Location of Well L	Unit 13	Township 9-South	Range 35-East

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☐ NO ☒
 2. If answer is yes, identify one such instance: Order No. _____ ; Operator, Lease, and Well No.:

3. The following facts are submitted:

	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Bough Permo Penn-		Undesignated-Devonian
b. Top and Bottom of Pay Section (Perforations)	9550-60		Open hole: 11,940-11,991
c. Type of production (Oil or Gas)	Oil		Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

4. The following are attached. (Please mark YES or NO)
No a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
Yes c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
No d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)
 5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See attached list.

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☒ NO ☐ . If answer is yes, give date of such notification **5-7-65**

CERTIFICATE: I, the undersigned, state that I am the **District Engineer** of the **Pan American Petroleum Corporation** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

[Signature]
 Signature
DOCKET MAILED
5-27-65
 New Mexico Oil Conservation Commission

* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. After said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
 NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

PAN AMERICAN PETROLEUM CORPORATION

P. O. Box 268
Lubbock, Texas 79401
May 7, 1965

File: RMB-3226-986.510.1

Subject: Application of Pan American Petroleum Corporation
For Dual Completion (Conventional) of the
Federal "A" Well No. 4 in the Bough Permo Penn
(Oil) and Undesignated Devonian (Oil) Pools
and Surface Commingling Request, Lea County,
New Mexico

*Separately
meter*

Case 3266

Mr. A. L. Porter (3)
Secretary-Director of
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Sir:

Pan American, as operator of the subject well, respectfully requests that a hearing be docketed to consider its application for a conventional multiple completion of its Federal "A" Well No. 4. The well is located 2300' FSL and 990' FWL, Unit L, Section 13, T-9-S, R-35-E, Lea County, New Mexico. As shown on the attached plat, this will be the first dual completion in these two zones in this area.

It is also requested that at this hearing approval be granted for surface commingling of the production from these two zones. A copy of our application for multiple completion is attached.

Yours very truly,

Neil S. Whitmore
Neil S. Whitmore
District Production Superintendent

WCC:jn
Attachment

cc: Offset Operators

DOCKET MAILED

Date

5-27-65
[Signature]

Case 3266

Heard 6-9-65

Rec. 6-9-65

1. Grant Pan American permission to
Drillly complete. (Conventional) their
Federal 'A' # 4 L-13-25-355, Bough-
Permo Penn. oil pool and undesignated
Heronian.

2. Grant permission to work into
at surface the two above zones from
the well after separate metering
and sampling. Thus to the

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

June 15, 1965

Re: Case No. 3266
Order No. R-2926
Applicant:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

Carbon copy of order also sent to:

OTHER

proposes to drill and complete a well in Unit L of Section 14, Township 20 South, Range 33 East, Teas Pool, Lea County, New Mexico, with surface casing set at approximately 950 feet, cement circulated, and production casing set at approximately 3400 feet and cemented to approximately 2500 feet above the casing point. The well would be plugged and abandoned in accordance with the provisions of Order R-111-A.

CASE 3265: Application of Coastal States Gas Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through perforations from 4545 feet to 4590 feet in its Southern Minerals State Well No. 1-15 located in Unit L of Section 15, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.

CASE 3112: (Reopened)

In the matter of Case 3112 being reopened pursuant to the provisions of Order No. R-2824, which order authorized Gallup-Dakota commingling in the wellbore by means of a dual-flow downhole choke assembly in its Jicarilla 28 Well No. 1 located in Unit J of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico. All interested parties may appear and show cause why the authority granted under this order should not be terminated.

CASE 3266: Application of Pan American Petroleum Corporation for a dual completion and commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Federal "A" Well No. 4 located in Unit L of Section 13, Township 9 South, Range 35 East, Lea County, New Mexico, to produce oil from the Bough Permo-Penn and an undesignated Devonian pool through parallel strings of tubing. Applicant further seeks authority to commingle the production from said pools on said lease after separately metering the production from each pool.

CASE 3258: (Continued from the May 26th examiner hearing)

Application of Midwest Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State "C" Well No. 1 located in Unit K of Section 32, Township 13 South, Range 34 East, Lea County, New Mexico, to produce oil from the Upper and Lower Pennsylvanian formations through parallel strings of tubing.

DOCKET: EXAMINER HEARING- WEDNESDAY - JUNE 9, 1965

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 3251: (Continued from the May 26, 1965 Examiner Hearing)

Application of Continental Oil Company for a waterflood project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Rattlesnake Dakota Pool, San Juan County, New Mexico, by the injection of water into the upper and middle zones of the Dakota formation, through three injection wells in Sections 12 and 13, Township 29 North, Range 19 West.

CASE 3260: Application of Delaware Apache Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Lusk Deep Unit Area comprising 1920 acres, more or less, of State and Federal lands in Township 19 South, Range 31 East, Eddy County, New Mexico.

CASE 3261: Application of Delaware Apache Corporation for a pool extension and special rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Jenkins-Cisco Pool to include the S/2 of Section 19 and the NW/4 of Section 30, Township 9 South, Range 35 East, Lea County, New Mexico, and the SE/4 of Section 24, and the NE/4 of Section 25, Township 9 South, Range 34 East. Applicant further seeks the promulgation of special rules for said pool including a provision for 80-acre proration units.

CASE 3262: Application of Monsanto Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cueva Unit Area comprising 12,482 acres, more or less, of State, Federal and fee lands in Townships 22 and 23 South, Range 25 East, Eddy County, New Mexico.

CASE 3263: Application of Jake L. Hamon for the creation of a new gas pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow Gas Pool for his Hamon State E-8913 Well No. 1 located in Unit A of Section 20, Township 20 South, Range 36 East, Lea County, New Mexico, and the promulgation of special pool rules including a provision for 640-acre spacing.

CASE 3264: Application of Carl Engwall for an exception to Commission Order R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order R-111-A. Applicant

-3-

CASE No. 3266

Order No. R-2926

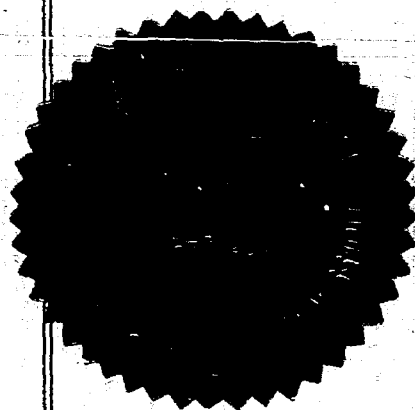
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guston B. Hays
GUSTON B. HAYS, Member

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



esr/

-2-

CASE No. 3266
Order No. R-2926

(5) That the applicant also seeks authority to commingle the Bough Permo-Pennsylvanian Pool and the undesignated Devonian pool production from its Federal "A" Well No. 4 after separately metering the production from each pool.

(6) That approval of the proposed commingling installation will result in convenience and economy to the operator, will be in the interest of conservation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to complete its Federal "A" Well No. 4 located in Unit L of Section 13, Township 9 South, Range 35 East, NMPN, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Bough Permo-Pennsylvanian Pool and an undesignated Devonian pool through parallel strings of 2 3/8-inch tubing, with separation of zones by a packer set at approximately 9648 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Devonian zone.

(2) That the applicant is hereby authorized to commingle the Bough Permo-Pennsylvanian Pool and the undesignated Devonian pool production from its Federal "A" Well No. 4 after separately metering the production from each pool;

PROVIDED HOWEVER, that said installation shall be operated in accordance with the provisions of the Commission's "Manual for the Installation and Operation of Commingling Facilities."

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

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. 3266
Order No. R-2926

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR A DUAL COMPLETION AND
COMMINGLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 9, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of June, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 authority to complete its Federal "A" Well No. 4 located in Unit L of Section 13, Township 9 South, Range 35 East, NMPN, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Bough Perno-Pennsylvanian Pool and an undesignated Devonian pool through parallel strings of 2 3/8-inch tubing, with separation of zones by a packer set at approximately 9648 feet.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the proposed dual completion will prevent waste and protect correlative rights.

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

October 18, 1965

File: VES-423-400

Subject: Commingling of Production
Federal "A" No. 4
Lea County, New Mexico

File 3266

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Dear Sir:

~~Administrative~~ Order R-2926 dated June 15, 1965, authorized the commingling of Bough Permo-Pennsylvanian Pool and Bough Devonian Pool production on our Federal "A" No. 4 located in Section 13, Township 9 South, Range 35 East, Lea County, New Mexico.

Please cancel the above referenced order since the Bough Permo-Penn Pool is shut-in.

The referenced order also gives authority to dual complete the subject well and it is requested that this portion of the order remain in effect until final disposition is made of this zone.

Yours very truly,

[Signature]

V. E. Staley
Area Superintendent

GAT:sh

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

December 14, 1965

File: VES-503-400 X 986.510.1

Subject: Commingling of Production
Federal "A" No. 4
Lea County, New Mexico

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

File Carl JAC
3266 wja

Dear Sir:

Administrative Order R-2926 dated June 15, 1965, authorized the commingling of Bough Permo-Pennsylvanian Pool and Bough Devonian Pool for production on our Federal "A" No. 4 located in Section 13, Township 9 South, Range 35 East, Lea County, New Mexico.

Our letter of October 18, 1965, requested partial cancellation of this order. We are now requesting that the entire order be cancelled as the Bough Permo-Penn Pool is shut-in.

Yours very truly,

V. E. Staley
V. E. Staley
Area Superintendent

GAT:sh

Cc: Mr. I. R. Trujillo
Administrative Assistant
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

January 13, 1966

Pan American Petroleum Corporation
P. O. Box 68
Hobbs, New Mexico

Attention: Mr. V. E. Staley

Re: Order No. R-2926

Gentlemen:

Reference is made to your letter dated December 14, 1965, requesting cancellation of Order No. R-2926 governing commingling on your Federal "A" Lease in the Bough Field inasmuch as the Bough Permian-Penn production on said lease is now shut in.

Order No. R-2926 is hereby put in abeyance.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP:BN:sg

cc: Mr. I. R. Trujillo - Santa Fe

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Y