

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

May 20, 1964

File: VES-121-400 x 541.112

Subject: Commingle of Production
Julian E. Simon Federal Lease
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 Mr. Porter:

Reference is made to Mr. D. S. Nutter's letter of May 7, 1964, concerning our request to commingle Empire Abo production from the Julian E. Simon Lease with other Empire Abo production presently being commingled at Storage System III. We are re-submitting our request for administrative approval to commingle the Julian E. Simon Lease into Storage System III along with changes in our Storage System III to comply with the minimum standards set forth in the Commission's "Manual for Installation and Operation of Commingling Facilities." Our revisions to Storage System III include the elimination of a common testing line and the installation of samplers.

Pan American Petroleum Corporation hereby submits application for the commingling of oil production from the Julian E. Simon Federal No. 1, located in Unit M, Section 4, T-18-S, R-27-E, with other Empire Abo Pool production at the Empire Abo Storage System III.

In support of our request for exemption without notice and hearing 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, located in the SW/4 SW/4, Section 3, T-18-S, R-27-E. 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. Production from each lease is metered and sampled separately prior to commingling, utilizing A. O. Smith T-6 temperature compensated meters. Production from the Julian E. Simon well likewise be metered and sampled separately with an A. O. Smith temperature compensated meter.

2. The A. O. Smith T-6 meter will be proved monthly in a 10-barrel prover tank.
3. The BS&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 sum of present commingled production and the production from the Julian E. Simon Federal No. 1.
5. All parties owning an interest in the Julian E. Simon Federal Lease and the purchaser of the commingled production have been notified by certified mail of our intention to commingle production from these leases.
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.

To comply with the minimum standards set forth by the Commission's "Manual for the Installation and Operation of Commingling Facilities," we have eliminated the common test line and have added samplers with each lease meter and test meter. All leases having four or more wells will have a lease test separator. On the two well leases, the Malco "K" and Mann Federal, we will shut-in one well to test the other. These revisions are shown on our attached schematic diagram.

Yours very truly,



V. E. Staley
Area Superintendent

Attachments

MAILING LIST

JULIAN E. SIMON FEDERAL LEASE

Jaffa Miller
603 N. Richardson
Roswell, New Mexico

Carl McNally
P. O. Box 2076
Roswell, New Mexico

Harry Thorn
300 So. Lee Ave.
Roswell, New Mexico

Laura G. Ballard
P. O. Box 1752
Roswell, New Mexico

Hattie D. Mann
Artesia, New Mexico

F. G. Keyes
P. O. Box 1797
Roswell, New Mexico

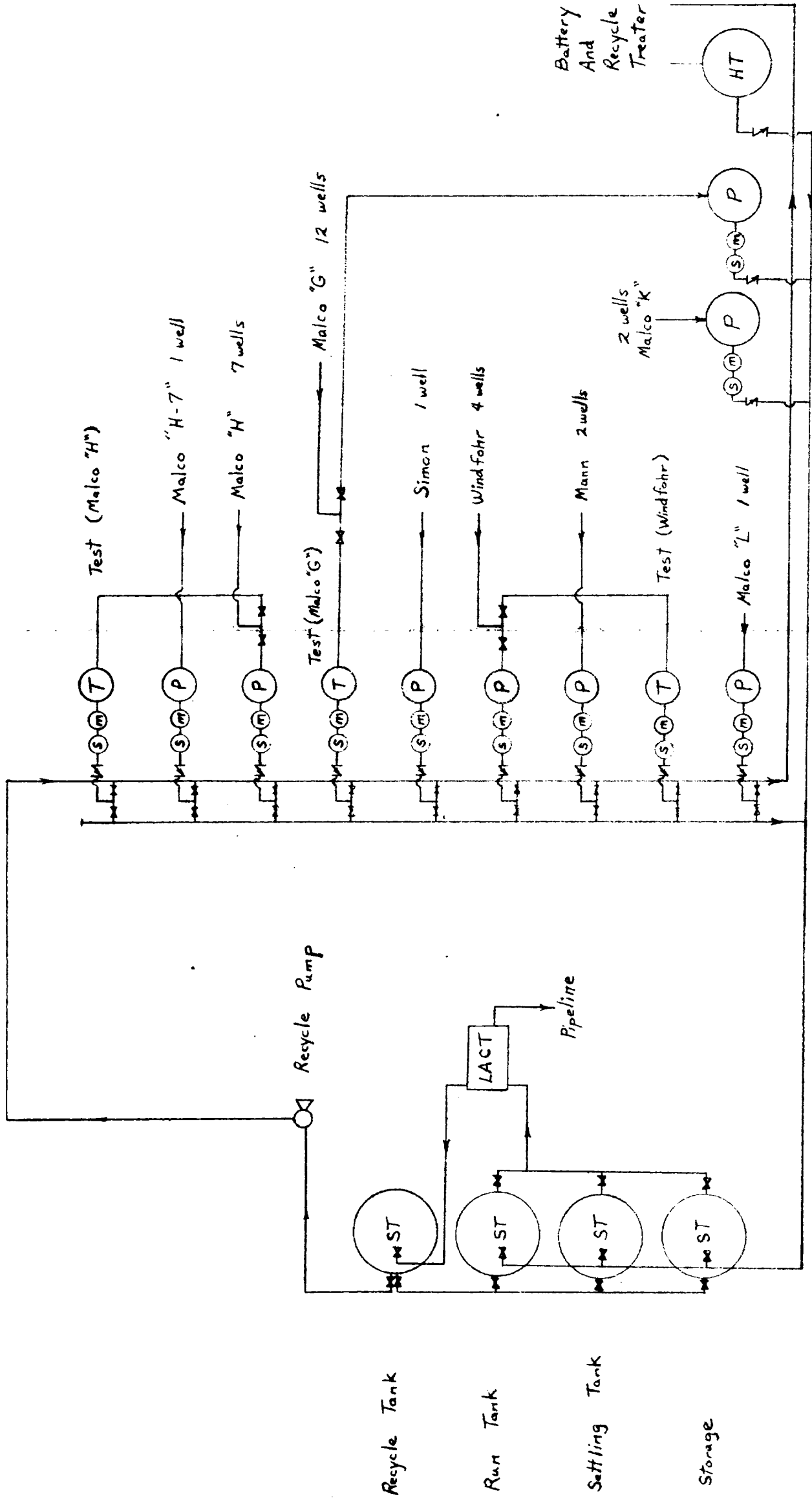
Olga M. Atwood, individually
and as executrix of J. D. Atwood, Deceased
213 N. Missouri Ave.
Roswell, New Mexico

Hondo Oil & Gas Company
P. O. Box 1978
Roswell, New Mexico

Indiana Oil Purchasing Company
P. O. Box 1725
Midland, Texas

U.S.G.S.
P. O. Box 6721
Roswell, New Mexico

N.M.O.C.C.
P. O. Drawer DD
Artesia, New Mexico



Legend

(P) Production Unit - 2 or 3 Phase Separator or Treater

(T) Test Unit - 2 or 3 Phase Separator

PAN AMERICAN PETROLEUM CORPORATION				
Schematic Diagram Proposed Installation Empire Abo Storage System III				
SW/4 SW/4 Sec.3 T-18-S R-27-E				
DR. E.J.S.	CK.	AP.	NO.	
SCALE None	DATE 5-12-64			

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

XXX 2088

May 7, 1964

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

Attention: Mr. V. E. Staley

Gentlemen:

O
Reference is made to your request for authority to commingle Empire-Abo production from your Julian E. Simon Lease with other Empire-Abo production presently being commingled in your Storage System III located in the SW/4 SW/4 of Section 3, Township 18 South, Range 27 East, Eddy County, New Mexico. Empire-Abo Storage System III handles the production from several separate leases and was authorized by Order No. R-1399 May 25, 1959.

P
Y
Inasmuch as this commingling installation, neither now nor as revised to include the Simon Lease, complies with the minimum standards set forth for commingling installations in the Commission's "Manual for the Installation and Operation of Commingling Facilities," we cannot grant administrative approval to the proposed revision. It was the Commission's thought at the time the aforesaid manual was adopted to not require revision of the existing installations which did not comply with the manual until such time as additional work was necessary on the installations. If you wish to revise the installation, particularly in the area of the common testing line and the attendant valves, in order that the installation will comply with the commingling manual, we will be happy to process your application for administrative approval of the inclusion of the Simon Lease. Otherwise, it will be necessary for this matter to go to a hearing, and in all probability, Pan American will be expected to show cause why the existing installation should not be revised at this time.

Very truly yours,

Daniel S. Nutter
Chief Engineer

DSN:eg

cc: ✓ Oil Conservation Commission - Artesia
United States Geological Survey - Roswell

PAN AMERICAN PETROLEUM CORPORATION

MAIN OFFICE 000

Post Office Box 68
1964 APR 15 PM 1:43 Hobbs, New Mexico

April 13, 1964

File: VES-93-400 x 541.112

Subject: Commingling of Production
J. E. Simon Federal Lease
(Sec. 4-18-27)
Empire Abo Oil Pool
Eddy County, New Mexico

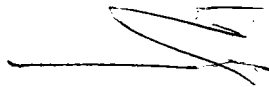
Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 371
Santa Fe, New Mexico

Dear Sir:

Reference is made to our letter dated March 25, 1964, applying for authority to commingle oil production from our Julian E. Simon Federal Lease with other Empire Abo Pool production at our Empire Abo Storage System III.

Attached is a copy of the United States Geological Survey's letter of approval, dated April 9, 1964, to commingle the above referenced production.

Yours very truly,



V. E. Staley
Area Superintendent

Attachment



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Drawer 1857
Roswell, New Mexico

IN REPLY REFER TO:

RECEIVED	
PAN AMERICAN	
PETROLEUM CORP.	
APR 13 1964	
HOBBS, N. M.	
AS	11
AC	
AF1	✓
AF2	
AAC	
FILE	

April 9, 1964

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

Gentlemen:

Your letter of March 25, 1964 requests approval to commingle Abo oil produced from lease LC 070937 in the SW $\frac{1}{4}$ sec. 4, T. 18 S., R. 27 E., with your Abo storage system III, in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 3, T. 18 S., R. 27 E., Eddy County, New Mexico, into which oil is commingled from leases; NM 025530, NM 025604, LC 061783-A, LC 061783-B, and LC 065478-B.

The method of commingling described by your letter is hereby approved subject to like approval by the New Mexico Oil Conservation Commission.

You are requested to notify the District Engineer, U. S. Geological Survey, Drawer U, Artesia, New Mexico, when the installation is completed and operative so that an inspection can be made.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

April 13, 1964

File: VES-93-400 x 341.112

Subject: Commingling of Production
J. E. Simon Federal Lease
(Sec. 4-18-27)
Empire Ace Oil Pool
Eddy County, New Mexico

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Reference is made to our letter dated March 25, 1964, applying for authority to commingle oil production from our Julian E. Simon Federal Lease with other Empire Ace Pool production at our Empire Ace Storage System III.

Attached is a copy of the United States Geological Survey's letter of approval, dated April 9, 1964, to commingle the above referenced production.

Yours very truly,

Original Signed by:
V. E. STALEY

V. E. Staley
Area Superintendent

Attachment

Memo

From

M. L. ARMSTRONG
SUPERVISOR AND
OIL & GAS INSPECTOR

To

Attention: Pete or Dan

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

April 15, 1964

File: VES-193-400

Subject: Julian E. Simon Lease
(Section 4, T-18-S, R-27-E)
Empire Abo Pool
Eddy County, New Mexico

Mr. M. L. Armstrong
New Mexico Oil Conservation Commission
Post Office Drawer "U"
Artesia, New Mexico

Dear Sir:

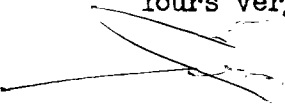
Pan American Petroleum Corporation hereby requests permission to temporarily store, off-lease, oil production from our Julian E. Simon-Federal Well No. 1, located in Unit M, Section 4, T-18-S, R-27-E.

Pending administrative approval of our commingling application submitted March 25, 1964, we desire to store the oil temporarily in an appropriate storage tank located at our Empire Abo Storage System III. (SW/4, SW/4, Section 3, T-18-S, R-27-E.)

The present storage for Simon production is a temporary storage tank at the well location. Due to a trucking problem, this temporary off-lease storage will minimize the loss of production due to this situation.

Your early consideration will be appreciated.

Yours very truly,


V. E. Staley
Area Superintendent

1964 APR 17 AM 11:22
MAIN OFFICE 000

RECEIVED
APR 16 1964
D. C. C.
ARTESIA OFFICE

FORM 9 9-43

3 / 26 / 64
DATE

TO: NMOCC - Santa Fe, N. M. FLOOR NO.

REMARKS

1961 MAR 27 AM 11 47

FROM Hobbs - Pan American Pet. Corp.

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

March 25, 1964

File: VES-84-400 x 541.113

Subject: Commingling of Production
Julian E. Simon Federal Lease
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 Julian E. Simon Federal No. 1, located in Unit M, Section 4, T-18-S, R-27-E, with other Empire Abo Pool production at the Empire Abo Storage System III.

In support of our request for exemption without notice and hearing 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, located in the SW/4, SW/4, Section 3, T-18-S, R-27-E. 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. Production from each lease is metered separately prior to commingling utilizing A. O. Smith T-6 temperature compensated meters. Production from the Julian E. Simon will likewise be metered with an A. O. Smith temperature compensated meter.

Page 2

Mr. A. L. Porter, Jr.

March 25, 1964

2. The A. O. Smith T-6 meter will be proved monthly in a 10-barrel prover tank.
3. 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 sum at present commingled production and the production from the Julian E. Simon Federal No. 1.
4. All parties owning an interest in the Julian E. Simon Federal lease and the purchaser of the commingled production have been notified by certified mail of our intention to commingle production from these leases.
5. Plats of the leases, showing the location of wells and the formation in which they are completed are attached.
6. Schematic diagram of the proposed installation is attached.

Yours very truly,



V. E. Staley
Area Superintendent

Attachments

MAILING LIST

JULIAN E. SIMON FEDERAL LEASE

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603 N. Richardson
Roswell, New Mexico

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P. O. Box 2076
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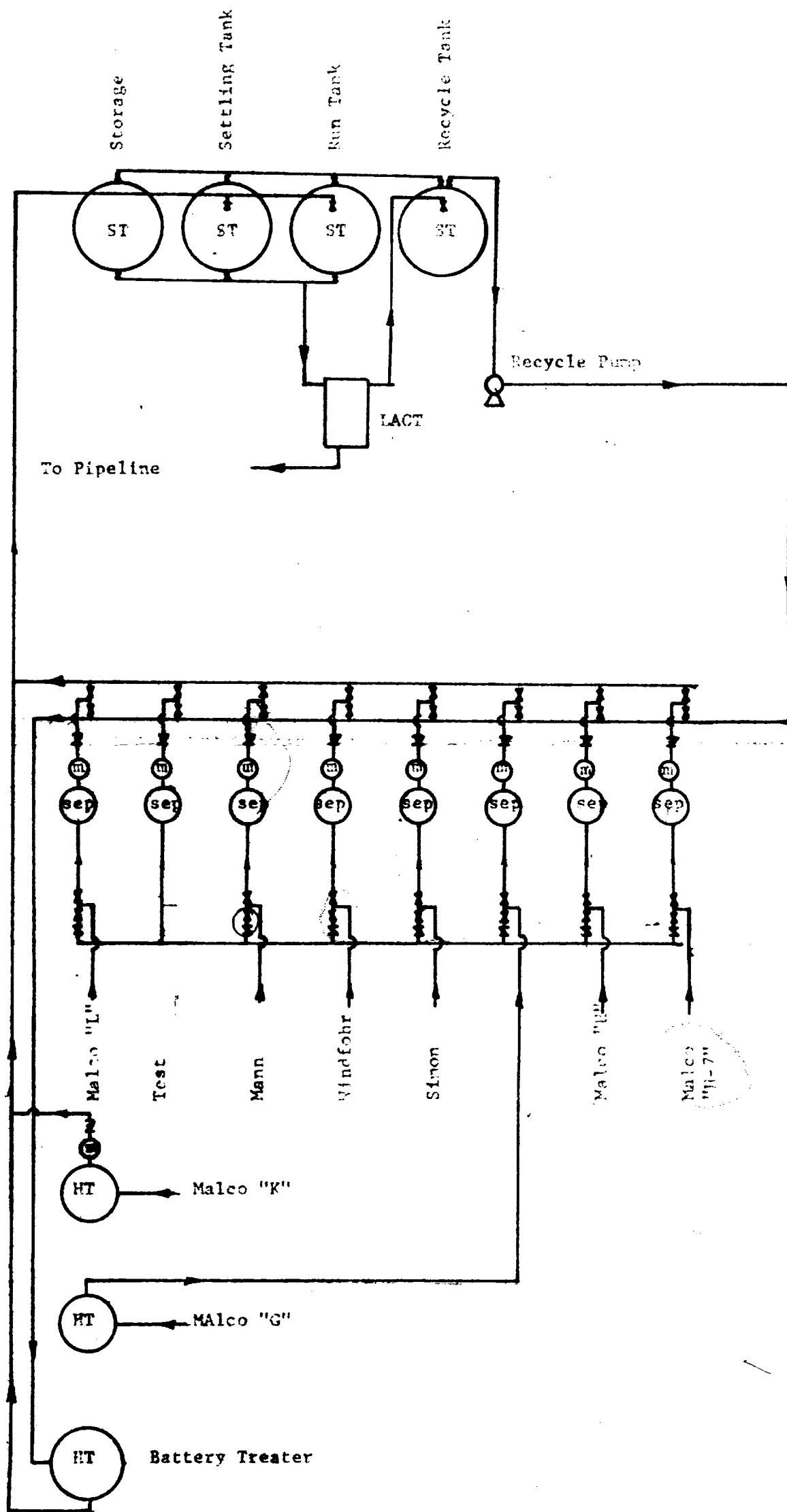
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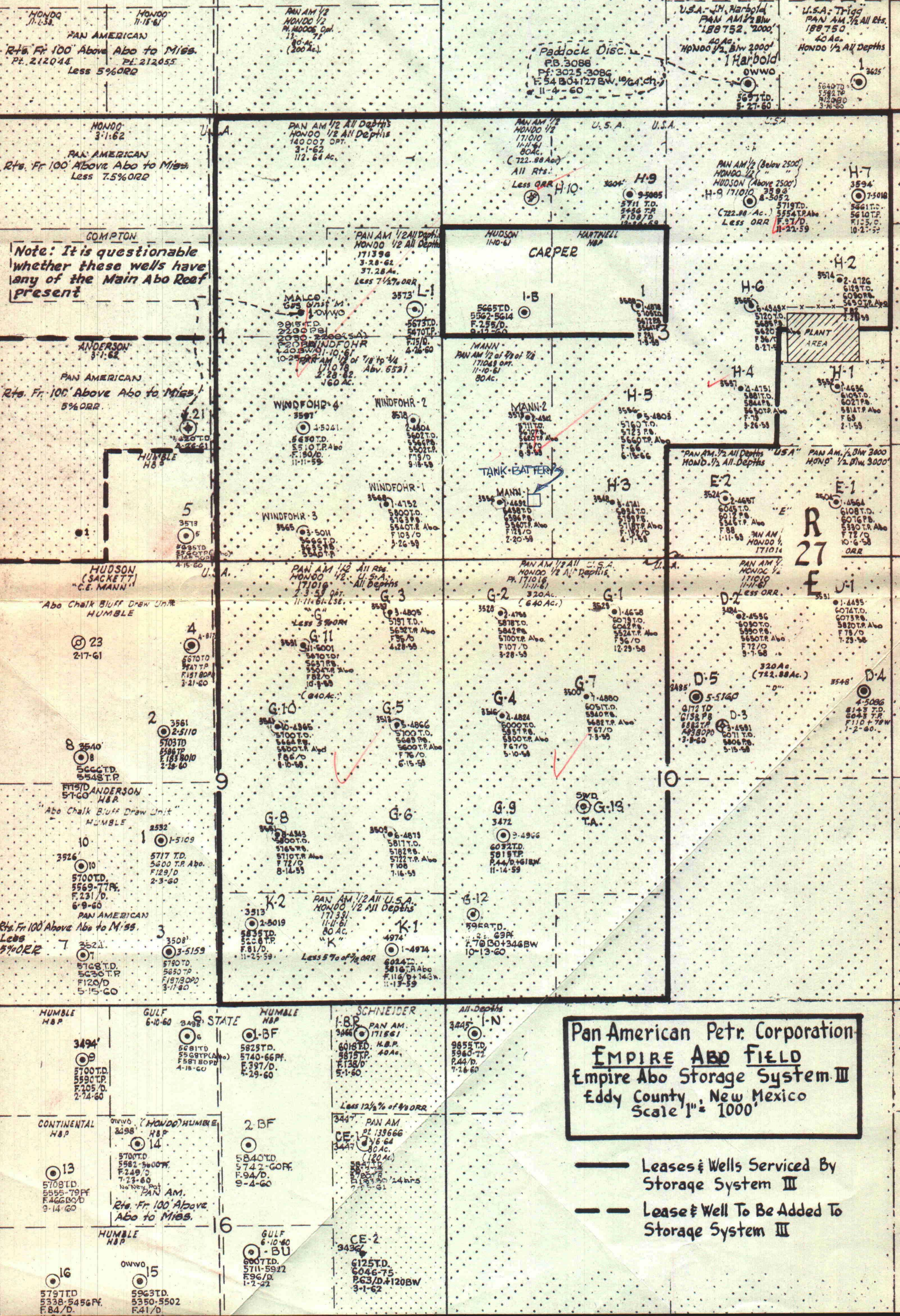
U. S. G. S.
P. O. Box 6721
Roswell, New Mexico

N. M. O. C. C.
P. O. Drawer DD
Artesia, New Mexico



PAN AMERICAN PETROLEUM CORPORATION				
Schematic Diagram of Proposed Installation - Empire Abo Storage System III - SW/4 SW/4, Sec. 3, T-18-S, R-27-E				
DR.	CEL.	AP.	AP.	NO.
101				
SCALE	1" = 10'	1" = 10'	1" = 10'	2-28-44

T-18-S



Pan American Petr. Corporation
EMPIRE ABO FIELD
 Empire Abo Storage System III
 Eddy County, New Mexico
 Scale 1" = 1000'