

**ORIGINAL**

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68  
Hobbs, New Mexico

MAIN OFFICE OCC

January 16, 1962

1962 JAN 18 AM 8:38

File: VES-31-400 x 986.510.1

Subject: Application to Commingle  
Oil Production - State "C"  
Lease, Lea County, New Mexico

*PC SF*  
*State approval*  
*2-25-62*

*OK*  
*WJH*  
*John*

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

Dear Mr. Porter:

Pan American Petroleum Corporation hereby submits application for the commingling of oil production from the following well and pools:

State "C" No. 1 located in Unit N, Section 19, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Drinkard (oil) and Paddock (oil) pools. Application for dual completion submitted through administrative channels January 12, 1962.

In support of our request for exception approval without notice and hearing to Rule 303 (a) to permit the commingling in common facilities of the commonly owned production from two or more common sources of supply, the following is submitted:

1. The oil production from each common source will be measured separately utilizing A. O. Smith T-6 temperature compensated meters. The BS&W content will be periodically determined by centrifugal testing procedures. At present, both the Paddock and Drinkard are producing water free.
2. The A. O. Smith T-6 meters will be proved monthly in the existing 500 bbl. stock tanks.
3. Detailed data of liquid hydrocarbons:

<u>Pools</u>	<u>Gravity (°API)</u>	<u>Value/Bbl. Based On Last 12 Months</u>	<u>Estimated Annual Production</u>
A. Paddock (oil)	37.9	2.89	17,520
B. Drinkard (oil)	38.4	2.86	23,360
C. Commingled Production	38.2	2.89	40,880

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

4. Schematic diagram of proposed installation is attached. Tank battery facility to be located in SE/4 SW/4 Section 19, T-21-S, R-37-E, Lea County, New Mexico.
5. Plat showing the location of all wells on the State "CK" Lease and the pools from which each well is producing is attached.

Yours very truly,



V. E. Staley  
Area Superintendent

Attachments

Drinkard  
(Oil)

Paddock  
(Oil)

Sep

Sep

M

M

Meter Test Manifold

A heater treater  
will be installed  
at this point  
when bad oil is  
encountered.

**ILLEGIBLE**

ST  
500

ST  
500

PAN AMERICAN PETROLEUM CORPORATION

SCALE:

Schematic diagram of proposed battery installation - State "CK" Lease, SE/4,  
SW/4 Section 19, T-21-S, R-37-E, Lea County, New Mexico

DRG.  
NO.

R-36-E

R-37-E

H.T. Mattern  
GULF "C"

CONT

3542'  
\*1-7896  
3705 T.D.  
3470 T.P.  
7160 MCFD.  
1-18-55

MAKIN DRLG.

PENROSE -  
SKELLY  
QN. -3435

State  
PAN AM

OHIO

L.G. Warlick  
GEN. CR. - MAG.

U.S.A.  
A.M. Lockhart  
CONT. OPE

State  
GULF

COAT & JACKSON

GULF Eunice  
Gas Unit

U.S.A.  
Edna Elliott  
BARNSDA

State  
GULF

AMERADA

L.G. Warlick  
AMERADA

BARNSDA

H. LEONARD "J"  
3541'  
Dual \*1-8987  
3850 T.D.  
3582 T.P. (Penrose)  
4414 MCFD  
3766 T.P. (Gray)  
T. 46/D 32/64" ch.  
7-30-56

RIGHTS ABOVE  
3900' COMMITTED  
TO GULF EUNICE  
GAS UNIT

T-21-S

GULF

CK  
State  
PAN AM

GULF Eunice  
Gas Unit No. 1  
(A Eumont Gas Well)

H.T. Mattern  
GULF

3526'  
\*2-5045  
3825 T.D.  
3720 T.P.  
T. 43/D 1/4" ch.  
5-16-45

U.S.A.  
(Sam Weiner)  
J.W. PERRY

Drinkard (Oil)  
Paddock (Oil)

Henderson  
TEXAS

"13"  
State-Ramsay  
GULF

(BAY PET.)  
3532'  
\*1-1680  
3950 T.D.  
2-23-43

30

H.T. Mattern  
GULF

**ILLEGIBLE**

**State of New Mexico**



**Commissioner of Public Lands**

**E. S. JOHNNY WALKER  
COMMISSIONER**



February 15, 1962

*Leave file  
to [unclear]*

AS	1	1
AC		
AL	5	
AR		
AE		
DE		
LE		
LA		

*[Handwritten signature]*

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

Attention: Mr. V. E. Staley

Re: File No. VES-63-541.113 x 400  
Commingling of Oil production  
State "CK" Lease, Lea County,  
New Mexico.

Dear Mr. Staley:

We have no objection to your proposed commingling of the production, from your State "CK" # 1, located in Unit "N", of Section 19, T. 21 S., R. 37 E.

We would offer no particular objection to any commingling proposal, provided, that the production does not belong to separate institutions and, insofar as the commingled product does not lessen the price or the State's royalty. However, we do appreciate the fact that you have requested permission.

We feel that it is very important that we are notified so that we may check to determine the owners of the acreage.

Yours very truly,

**E. S. JOHNNY WALKER  
Commissioner of Public Lands**

By: *Ted Bilberry*  
Ted Bilberry, Supervisor  
Oil and Gas Division