

PAN AMERICAN PETROLEUM CORPORATION

Post Office Boxn 68
Hobbs, New Mexico

March 27, 1962

File: VES-110-400 x 986.510.1

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

PC 73
MAIN OFFICE
1962 MAR 28 AM 8:14
about LO approval

*See acct #
app'd to
as of 3/26*

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 wells and pools:

State "CK" 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.

State "CK" No. 2 located in Unit K, Section 19, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Drinkard (oil) and Blinebry (oil) pools. Application for dual completion submitted through administrative channels March 27, 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 the Paddock and Drinkard will be measured separately utilizing A. O. Smith T-6 temperature compensated meters equipped with samplers. The production from the Blinebry will be determined by the subtraction method.
2. A.B.S.& W. reading will be taken every eight days and the production from each zone recorded.
3. Testing wells from each source of supply will be performed by shutting in all but one well and testing.
4. The A. O. Smith T-6 meters will be proved monthly in the existing 500 bbl. stock tanks.

OK to commingle in accordance w/ Section 11, Article 2-B of Manual. upon receipt of approval from Land Commission

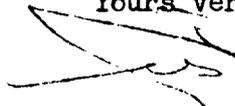
5. Detailed data of liquid hydrocarbons:

<u>POOLS</u>	<u>GRAVITY</u> (°API)	<u>VALUE/BBL.</u>	<u>ESTIMATED ANNUAL</u> <u>PRODUCTION</u>
A. Paddock (oil)	37.9	2.89	17,520
B. Drinkard (oil)	38.4	2.91	35,405
C. Blinebry (oil)	41.7	2.95	17,520
D. Commingled Production	39.1	2.93	70,445

The commercial value of the commingled production will be more than the sum of the production from each common source of supply by approximately \$1088. per year.

6. 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
7. 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)

Blinebry
(Oil)

Sep

Sep

Sep

V S

V S

Meter Test Manifold

HT

ILLEGIBLE

BT
500

BT
500

PAN AMERICAN PETROLEUM CORPORATION

SCALE:

Schematic diagram of proposed battery installation - State "OK" 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.
1-18-85

MAKIN DRLG.

PENROSE-SKELLY
QN.-3435

State
PAN AM

OHIO

L.G. Wartick
GEN. CR. - MAG.

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

State
GULF

COAT & JACKSON

GULF Eunice
Gas Unit

U.S.A.
Edna Elliot
BARNSDA

State
GULF

AMERADA

L.G. Wartick
AMERADA

BARNSDA

H. LEONARD J.
3541'
Dual *1-8987
3850 T.D.
3582 T.P. (Penrose)
4414 MCFD
3766 T.P. (Gray)
F. 46/D. 33/64" 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)

Blinebry (oil)
Drinkard (oil)

H.T. Mattern
GULF

3526'
*2-5045
3825 T.D.
3720 T.P.
F. 45/D. 1/4" ch.
3-16-45

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

Drinkard (oil)
Paddock (oil)

V. Henderson
TEXAS

"B"
State-Ramsay
GULF

(BAY PET.)
3532'
*1-1680
3958 T.D.
2-23-49

30

H.T. Mattern
GULF

State of New Mexico



Commissioner of Public Lands



April 2, 1962

E. S. JENNIFER WALKER
COMMISSIONER

J *with File*

PAN AMERICAN PETROLEUM CORP	
APR 2 1962	
HOBBS, N.M.	
AS	
AG	
AE	
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AF2	
DF	
ME	
FILE P.O. BOX 707	
SANTA FE, NEW MEXICO	

BUS
PRY
BAK *BAK*

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

Attention: Mr. V. E. Staley

Re: Application to Commingle
Oil Production - State
"CK" Lease, Lea County,
New Mexico.

Dear Mr. Staley:

Your request for permission to commingle oil production from wells and pools on your State "CK" Lease is hereby granted.

You have asked permission to commingle Drinkard and Paddock from your State "CK" No. 1, located in Unit N., Section 19, T. 21 S., R. 37 E., and the Drinkard and Blinbry oil from your State "CK" No. 2, located in Unit K, of this section.

Since all of the $\frac{1}{4}$ of Section 19, T. 21 S., R. 37 E., belongs to common schools of New Mexico and there would be no division of ownership of royalty, further, the data sheet of the gravities and values of the commingled production indicates that the State would lose no royalty, we would have no reason for objecting to your proposed operation.

Pan American Petroleum Corporation

April 2, 1962

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Thank you for your cooperation in this matter.

Yours very truly,

E. S. JOHNNY WALKER
Commissioner of Public Lands



By:
Ted Bilberry, Supervisor
Oil and Gas Division

ESW:TB:eq

cc: Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico