

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68  
Hobbs, New Mexico

15

August 10, 1962

File: VES-261-541.112 x 400

Subject: Application to Commingle Production  
State "AJ" Lease, Lea County, New  
Mexico

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 into two batteries, one for the sweet crude and one for the sour crude.

State "AJ" No. 1 located in Unit M, Section 30,  
T-25-S, R-38-E, NMPM, Lea County, New Mexico.  
This well is completed in the Langlie Mattix  
(oil) Pool.

State "AJ" No. 2 located in Unit L, Section 30,  
T-25-S, R-38-E, NMPM, Lea County, New Mexico.  
This well is completed in the Langlie Mattix  
(oil) Pool.

State "AJ" No. 4 located in Unit N, Section 30,  
T-25-S, R-38-E, NMPM, Lea County, New Mexico.  
This well is completed in the Langlie Mattix  
(oil) Pool.

State "AJ" No. 5 located in Unit L, Section 30,  
T-25-S, R-38-E, NMPM, Lea County, New Mexico.  
This well is dually completed in the Justis Tubb  
(oil) and Justis Blinebry (oil) Pools. The  
Blinebry production in this well is sweet.

State "AJ" No. 6 located in Unit M, Section 30,  
T-25-S, R-38-E, NMPM, Lea County, New Mexico.  
This well is dually completed in the Justis  
Fusselman (oil) and Justis Blinebry (oil) Pools.  
The Blinebry production in this well is sour.

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 (I) for the sweet crude battery and (II) for the sour crude battery.

I. Sweet Battery

- A. The oil production from the Justis Tubb and Justis Blinebry (sweet) will be measured utilizing Floco meters and samplers. The Justis Fusselman production will be determined by the subtraction method.
- B. The Floco meters will be proved monthly in the existing 500 bbl. stock tanks.
- C. The BS&W content will be checked every eight days to determine production from each common source of supply.
- D. Detailed data of liquid hydrocarbons:

<u>Pools</u>	<u>Gravity</u>	<u>Price/Bbl</u>	<u>Daily Production</u>
1. Justis Tubb	37.6	\$2.95	6
2. Justis Blinebry	37.4	\$2.95	23
3. Justis Fusselman	37.8	\$2.95	80
4. Commingled Production*	37.7	\$2.95	109

\*The commercial value of the production will be the same.

II. Sour Battery

- A. The oil production from the Langlie Mattix and Justis Blinebry (sour) will be allocated on the basis of periodic well tests. Attached is a tabulation of production showing the average daily production over a 60-day period.
- B. Detailed data of liquid hydrocarbons:

<u>Pools</u>	<u>Gravity</u>	<u>Price/Bbl</u>	<u>Daily Production</u>
1. Langlie Mattix	37.5	\$2.86	14
2. Justis Blinebry (sour)	37.9	\$2.86	33
3. Commingled Production*	37.8	\$2.86	47

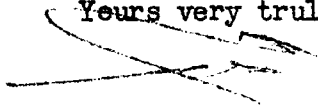
\*The commercial value of the production will be the same.

- 3 -

Schematic diagram of proposed installation is attached.  
Tank battery facility to be located in NW/4, SE/4, Section 30, T-25-S, R-38-E, Lea County, New Mexico.

Plat showing the location of all wells on the State "AJ" Lease and the pools from which the well is producing is attached.

Yours very truly,

A handwritten signature in dark ink, appearing to be 'V. E. Staley', written over a horizontal line.

V. E. Staley  
Area Superintendent

Attachments

Tabulation of Production - State "AJ" Lease

<u>Pool</u>	<u>Production Period</u>	<u>Production*</u>	<u>Avg. Daily Production</u>
Langlie Mattix	6-1 to 6-15-62	174.33	12.5
" "	6-15 to 7-1-62	261.40	16.3
" "	7-1 to 7-15-62	152.94	10.9
" "	7-15 to 8-1-62	<u>228.71</u>	13.5
		817.38	

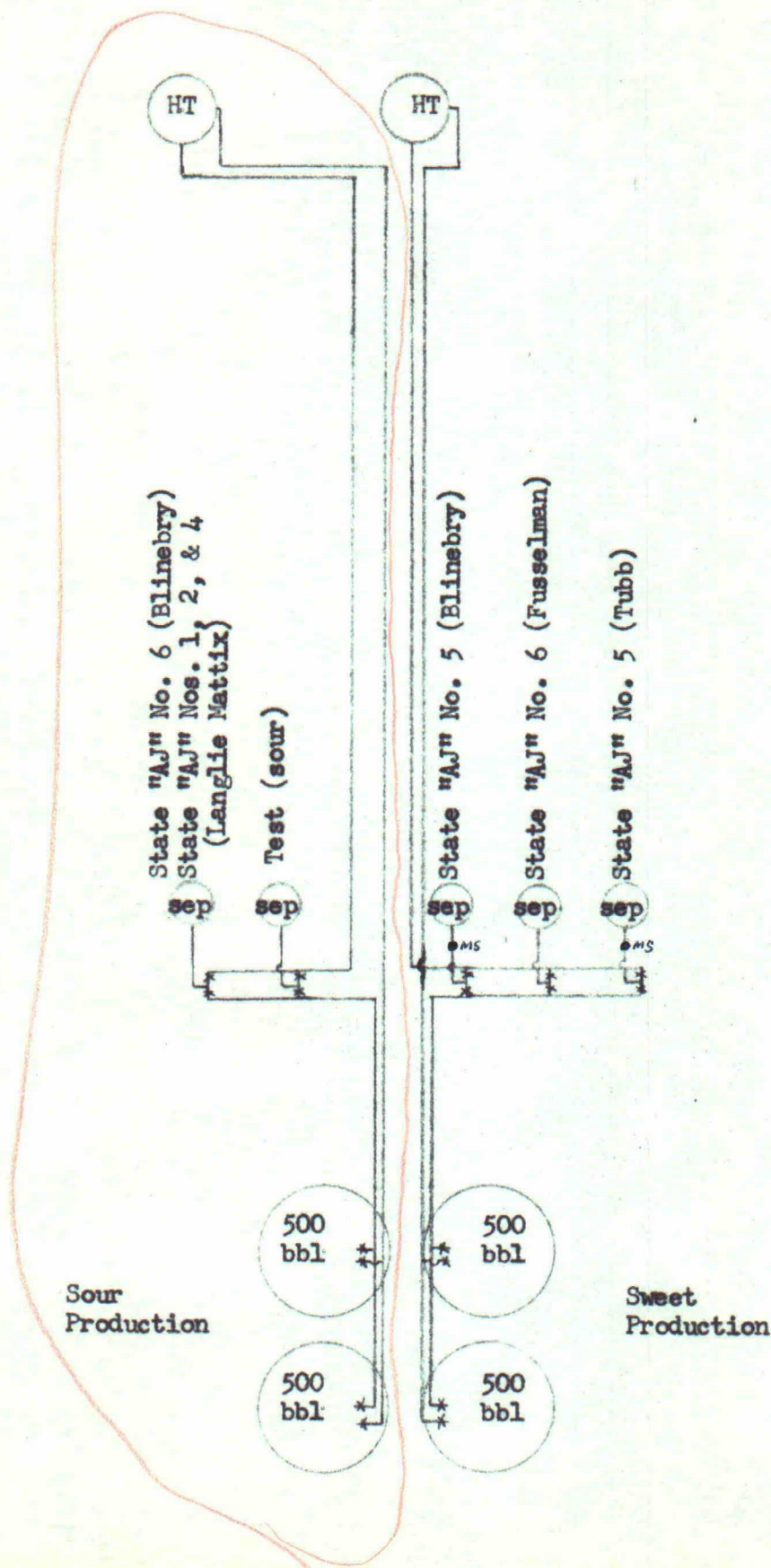
817.38 barrels in 61 days on 13.4 barrels/day.  
Top allowable for 3 wells in Langlie Mattix is  
102 barrels per day. These wells do not have  
penalized allowables.

Justis Blinebry (sour)	6-1 to 6-15-62	480.97	34.4
" "	" 6-15 to 7-1-62	527.17	32.9
" "	" 7-1 to 7-15-62	445.03	31.8
" "	" 7-15 to 8-1-62	<u>549.37</u>	32.3
		2002.54	

2002.54 barrels in 61 days or 32.8 barrels/day.  
Top allowable for one well in the Justis Blinebry  
Field is 46 barrels per day. This well does not  
have a penalized allowable.

\*Due to the marginal character of the production in these pools, production  
is reported only twice per month. This production is presently segregated.

# ATTACHMENT NO. 2



PAN AMERICAN PETROLEUM CORPORATION

SCALE:

Proposed commingling facilities, sour and sweet production, State "AJ" Lse. located in the NW/4 SE/4 Sec. 30, T-25-S, R-38-E, Lea County, New Mexico.

DRG.  
NO.



3039  
OWDD ● 8-6872  
3332 T.D.  
3260 T.R. Pen.  
F525 BOPD  
7-3-56  
5920 N.R.D.  
5121-5410  
Flo. 288 5040  
12-3-61

# PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68  
Hobbs, New Mexico

August 22, 1962

File: VES-716-400

Subject: Commingling of Production  
State "AJ" Lease  
SW/4, Section 30, T-25-S,  
R-38-E

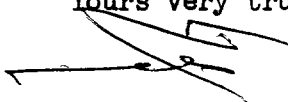
Mr. A. L. Porter  
Secretary Director  
New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Dear Sir:

Attached is Mr. E. S. Johnny Walker's letter dated August 17, 1962, granting the Commissioner of Public Lands approval to commingle production from the various pools underlying our State "AJ" Lease, comprising the SW/4 of Section 30, T-25-S, R-38-E, NMPM, Lea County, New Mexico.

This approval applies to our commingling application dated August 10, 1962, File: VES-261-541.112x400.

Yours very truly,



V. E. Staley  
Area Superintendent

RRY/bsh

Attachment

State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER  
COMMISSIONER

August 17, 1962

RECEIVED	
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PETROLEUM CORP	
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HOBBS, N. M.	
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P. O. BOX 791  
SANTA FE, NEW MEXICO

*As handle*  
*C BAK*

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

Re: Request for permission to  
commingle Production - State  
"AJ" Lease

Attn: V. E. Staley

Gentlemen:

Your request for approval to commingle production on your State "AJ" Lease into two tank batteries, one each for Sweet Crude and Sour Crude, is hereby approved subject to your proposed operation. It is our understanding that your "AJ" Lease covers only the SW $\frac{1}{4}$  of Section 30, T25S, R38E. If so, we have no royalty division problem and since your metering and testing program should give a correct account of the petroleum, we have no reason to object to your proposal.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

By: *Ted Bilberry*  
TED BILBERRY, Supervisor  
Oil and Gas Department

EW/TB/pb