

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

15

August 10, 1962

File: VES-262-541.112 x 400

Subject: Application to Commingle Production
Hugh Corrigan 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 exception to Order No. R-2005 which authorized commingling of oil production from the following wells and pools by metering:

Hugh Corrigan No. 1 located in Unit I, Section 33, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is completed in the Paddock (oil) Pool.

Hugh Corrigan No. 2 located in Unit I, Section 33, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Brunson (oil) and Wantz Abo (oil) Pools. The Brunson Zone is shut-in.

In support of our request for exception to Order No. R-2005 wherein Pan American was granted exception approval to Rule 303(a) to permit the commingling in common facilities of the commonly owned production from two or more sources of supply, the following is submitted:

1. The oil production from each common source will be allocated on the basis of well test. Attached is a tabulation of production showing the average daily production over a 60-day period. At the time the Order No. 2005 was issued both the Wantz Abo production and Brunson production were penalized due to high gas-oil ratio. Since that time, the Brunson Zone has been shut-in and Wantz Abo production is no longer penalized. The zones were never commingled due to the expense of installing meters.
2. Detailed data of liquid hydrocarbons:

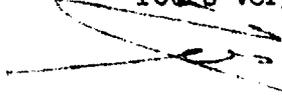
<u>Pools</u>	<u>Gravity</u>	<u>Price/Bbl</u>	<u>Est Annual Production</u>
A. Paddock	36.8	\$2.83	5840
B. Wantz Abo	39.6	\$2.92	913
C. Commingled	37.2	\$2.86	6753

The commercial value of the commingled production will be \$120 per year more than the sum of the production from each common source of supply.

Schematic diagram of proposed installation is attached. Tank battery facility to be located in NE/4, SE/4, Section 33, T-21-S, R-37-E, Lea County, New Mexico.

Plat showing the location of all wells on the Hugh Corrigan Lease and the pools from which the well is producing is attached.

Yours very truly,

A handwritten signature in black ink, appearing to read 'V. E. Staley', with a long horizontal stroke extending to the left.

V. E. Staley

Attachments

Tabulation of Production - Hugh Corrigan Lease

<u>Pool</u>	<u>Production Period</u>	<u>Production*</u>	<u>Avg. Daily Production</u>
Paddock	6-1 to 6-15-62	282.59	20.2
"	6-15 to 7-1-62	303.97	19.0
"	7-1 to 7-15-62	277.42	19.8
"	7-15 to 8-1-62	<u>207.26</u>	12.2
		1071.24	

1071.24 barrels in 61 days or 17.6 barrels/day. Top allowable for one well in Paddock Field is 46 barrels per day. This well does not have a penalized allowable.

Wantz Abo	6-1 to 6-15-62	35.31	2.5
"	6-15 to 7-1-62	47.70	3.0
"	7-1 to 7-15-62	24.84	1.8
"	7-15 to 8-1-62	<u>44.15</u>	2.6
		152.00	

152.00 barrels in 61 days or 2.5 barrels/day. Top allowable for one well in Wantz Abo Field is 80 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. The production on this lease is segregated although Order No. 2005 gave approval to commingle. Commingling was not commenced due to the expense of installing meters.

Well No. 1
Well No. 2

HT

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sep Test Separator

ST
500
bbl

ST
500
bbl

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SCALE:

Schematic diagram of proposed battery installation - Hugh Corrigan Lease,
NE/4, SE/4, Section 33, T-21-S, R-37-E, Lea County, New Mexico.

DRG.
No.