



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

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| PAN AMERICAN | |
| PETROLEUM CORP. | |
| MAY 28 1964 | |
| HOBBS, N. M. | |
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May 26, 1964

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

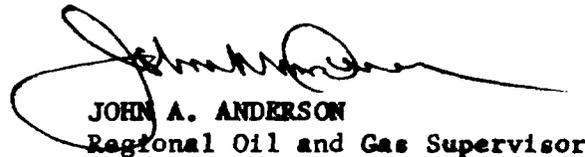
Attention: Mr. V. E. Staley

Gentlemen:

Your letter of May 20 requests approval to commingle production from the Weir Blinebry Pool with the presently commingled Monument Grayburg-San Andres and Monument Tubb Pools, located in the NE $\frac{1}{4}$ sec. 21 and the NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 22, T. 20 S., R. 37 E., Lea County, New Mexico, lease Las Cruces 031736(b).

The method of commingling as described by the diagram attached to your letter is hereby approved. You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Sincerely yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

May 20, 1964

File: VES-122-400 x 541,111

Subject: Commingling of Production
O. J. Gillully "B" Lease
Lea 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:

Pan American Petroleum Corporation hereby submits application for the commingling of oil production from the O. J. Gillully "B" Well No. 11 and the already commingled Monument Tubb and Monument Grayburg-San Andres production from the same lease. This presently commingled production was approved by Administrative Order PC-111. The O. J. Gillully "B" Well No. 11 is located in Unit F, Section 22, T-20-S, R-37-E, NMPM, Lea County, New Mexico; this well is completed in the Weir Blinebry Pool.

In support of our request for exception 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 Monument Grayburg-San Andres is being measured and sampled separately, utilizing an A. O. Smith T-6 meter. The BS&W content is determined every eight days by centrifugal testing procedures. The Weir Blinebry oil production will be metered and sampled in the same manner as described above. The Monument Tubb production will be allocated by the subtraction method.
2. The two meters will be proved monthly by a master meter.

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Mr. A. L. Porter, Jr.
May 20, 1964

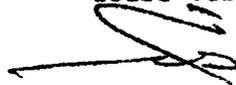
3. Detailed data of liquid hydrocarbons:

| <u>Pools</u> | <u>Expected Gravity</u> | <u>Expected Price/Bbl</u> | <u>Estimated Annual Production</u> |
|--|-------------------------|---------------------------|------------------------------------|
| A. Commingled Monument Tubb & Monument Gray- burg-San Andres (Oil) | 37.5 | 2.95 | 70,800 |
| B. Weir Blinebry | 35.9 | 2.91 | 4,745 |
| C. Commingled | 37.4 | 2.95 | 75,545 |

The commercial value of the commingled production will be \$190 per year more than the sum of the production from each common source of supply.

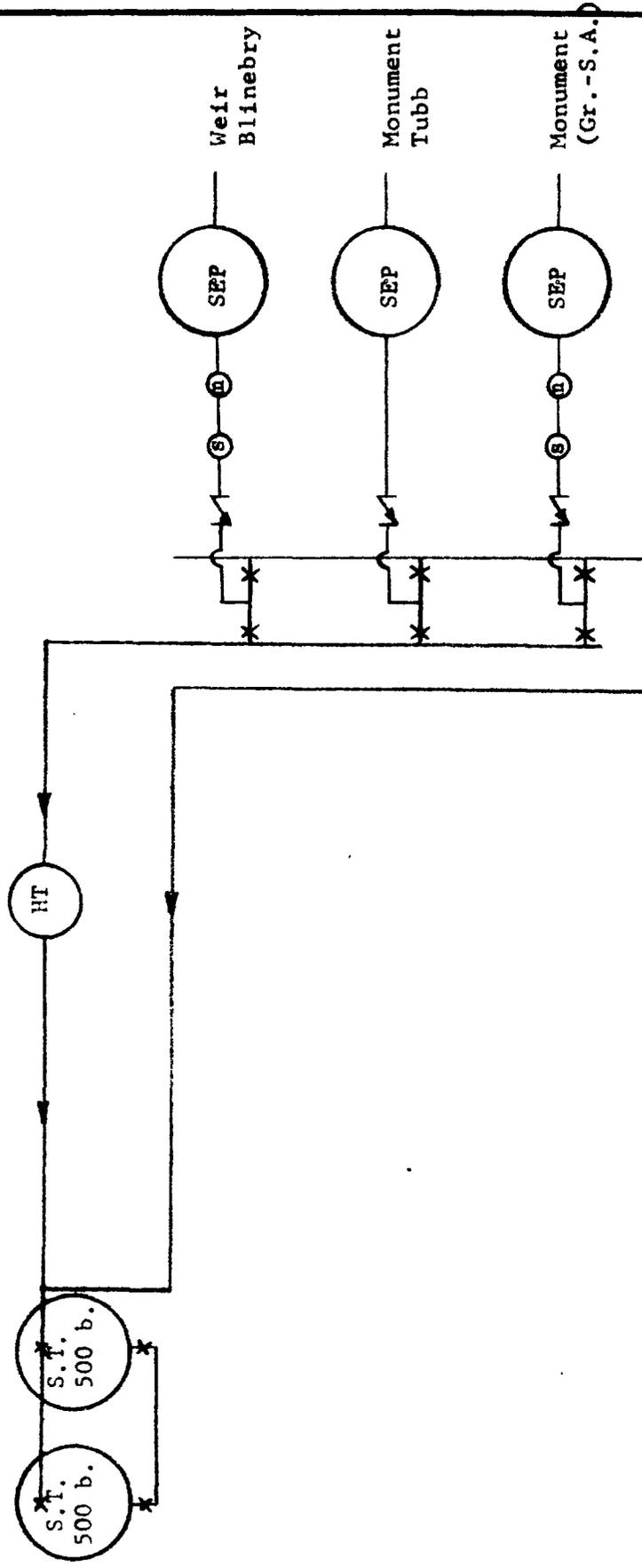
4. Schematic diagram of proposed installation is attached. Tank battery facility to be located in SW/4 NE/4, Section 21, T-20-S, R-37-E, NMPM, Lea County, New Mexico.
5. Plat showing the location of all wells on the O. J. Gillully "B" Lease and the pools from which the well is producing is attached.

Yours very truly,



V. E. Staley
Area Superintendent

Attachments



PAN AMERICAN PETROLEUM CORPORATION

Schematic diagram of proposed battery installation, O. J. Gillully "B" Lease, SW/4, NE/4, Section 21, T-20-S, R-37-E, Lea County, New Mexico.

SCALE:

DRG. NO.

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

May 29, 1964

File: VES-294-400 x 541.111
Subject: Commingling of Production
O. J. Gillully "B" Lease
Federal Lease No. LC 931736 (b)

File PC-111

1964 June 1 AM 7 30

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

Dear Sir:

Attached is a copy of Mr. John A. Anderson's letter dated May 26, 1964, granting United States Geological Survey's approval to commingle subject lease production as submitted in our application letter dated May 20, 1964, File: VES-122-400 x 541.111.

Yours very truly,



V. E. Staley
Area Superintendent

Attachment