

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

August 26, 1968

File: VES-341-541.112 x 400

Subject: Commingling of Production
Gillully "B" Federal Lease
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

REC-25 11/11

Gentlemen:

Administrative Order PC-111, as amended, provides for the commingling of oil production from the Monument, Monument Tubb and Weir Blinebry pools on our Gillully "B" Federal Lease. Production from each pool is of a marginal nature and is being allocated on a periodic well test basis.

The Gillully "B" Federal Well No. 12, located 1980' FSL x 1980' FEL Section 22, T-20-S, R-37-E, Lea County, New Mexico, has been drilled and completed as a CASS Penn Oil Pool extension well and on the most recent well test, it pumped 23 BO and 23 BW in 24 hours.

It is respectfully requested that Order PC-111 be amended to provide for the inclusion of the production from Well No. 12 into the Gillully "B" Federal Commingled Battery No. 2 located in the SW/4 NE/4 of Sec. 21, T-20-S, R-37-E. Since all production is of a marginal nature, we propose to commingle without metering and allocate production on a periodic well test basis.

In support of this request the following is submitted:

1. Plat of Gillully "B" Federal Lease showing all wells and the formation in which they are completed.
2. Schematic diagram of the proposed commingling facility located in the SW/4 of the NE/4, Section 21, T-20-S, R-37-E, Lea County, New Mexico
3. A tabulation of production from each pool for a 60 day period showing the average daily production.

For all practical purposes the actual commercial value of the total commingled production shall remain approximately the same with no loss being sustained.

Yours very truly,

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

V. E. Staley
Area Superintendent

RRY/jt

cc: United States Geological Survey (2)
P. O. Box 1157
Hobbs, New Mexico 88240

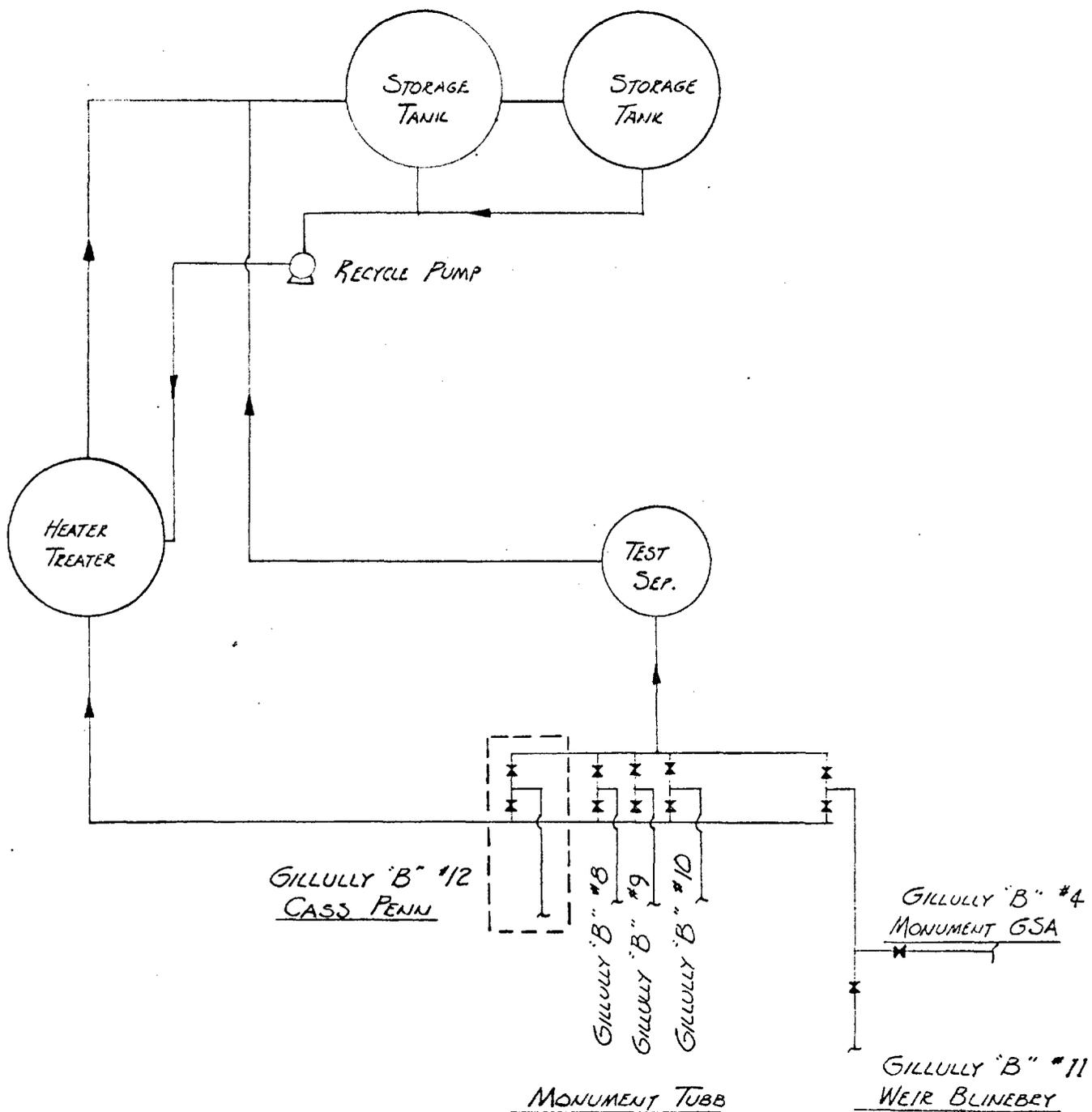
New Mexico Oil Conservation Commission
P. O. Box 127
Hobbs, New Mexico 88240

GILLULLY "B" FEDERAL LEASE PRODUCTION

<u>WELL NO.</u>	<u>POOL</u>	<u>TOP ALLOWABLE</u>	<u>JUNE 1967</u>			<u>JULY 1967</u>			<u>CGR ° API</u>
			<u>BO</u>	<u>DAYS PROD</u>	<u>AVERAGE DAILY PROD</u>	<u>BO</u>	<u>DAYS PROD</u>	<u>AVERAGE DAILY PROD</u>	
2, 4*, 5, 6Y	Monument (GSA)	58	-	-	--	-	-	--	
8, 9, 10	Monument Tubb	161	786	30	26	957	31	31	36.5
11	Weir Blinebry	78	177	30	6	186	31	6	31.6
12	Cass Penn	194	-	-	-	1230	10	123	40.2
						AUGUST 1054	20	53	

Test 8-25-68 23 BO x 23 BW, GOR 98

* Only well producing and currently makes all gas.

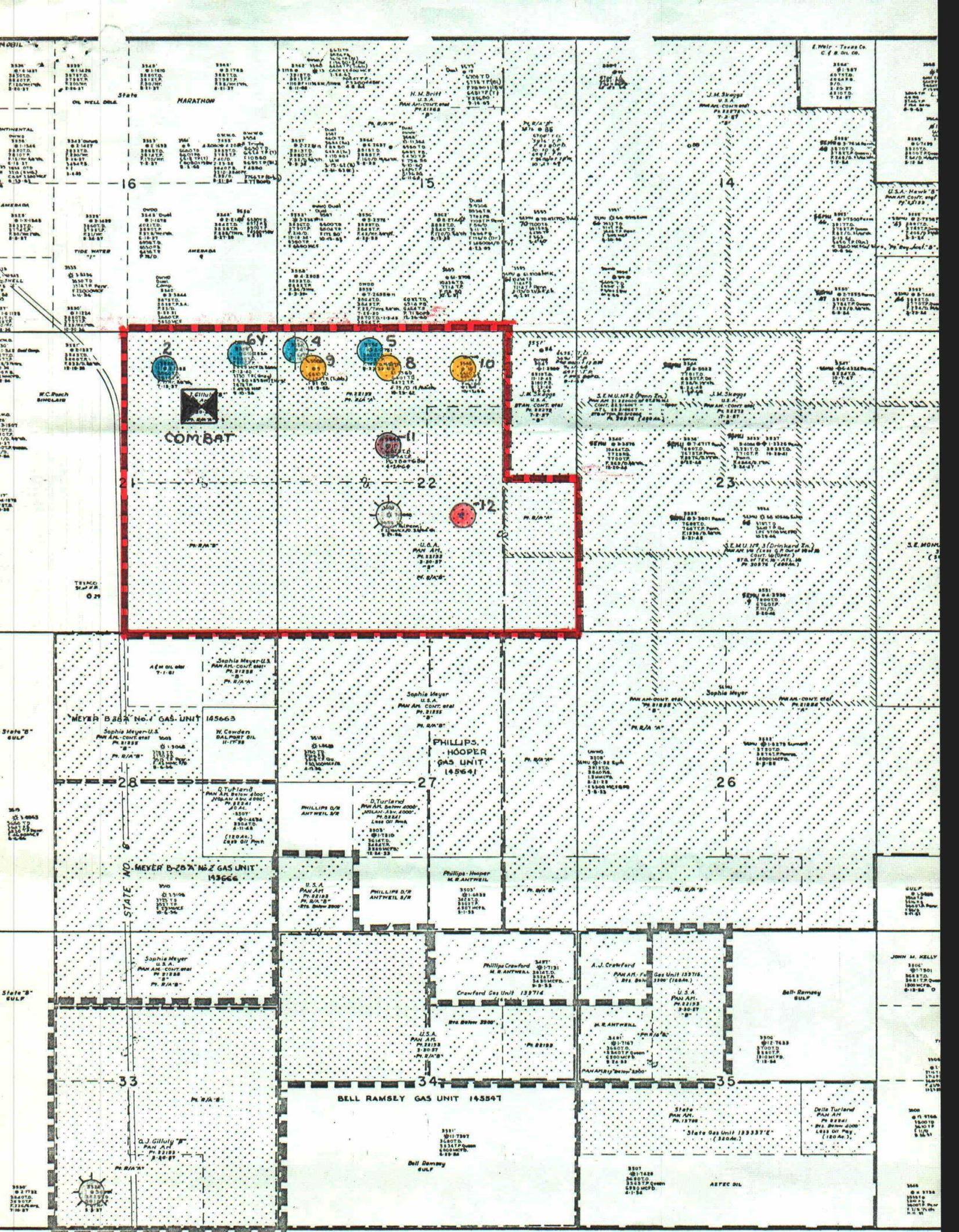


PAN AMERICAN PETROLEUM CORPORATION

SCALE: NONE

PROPOSED COMMINGLING INSTALLATION - GILLULLY "B" LEASE BATTERY
 SW/4 OF NE/4 SECT. 21 T-20-S R-35-E LEA COUNTY N.MEX.

DRG. No. 6/26/65



R-37-E

- LEGEND**
- CASS PENN
 - MONUMENT (GSA)
 - EUMONT GAS
 - EUMONT OIL
 - TUBB-MONUMENT TUBB
 - WIER-BLINEBRY
 - OUTLINE PANAM-GILLULY "B" LEASE



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

RECEIVED	
PAN AMERICAN	
PETROLEUM CORP.	
SEP 5 1968	
HOBBS, N.M.	
AS	
AC	
AE	2 9249-5
AF1	
AF2	
AAC	Kohler
243	
FILE	

September 3, 1968

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

Attention: Mr. V. E. Staley

Gentlemen:

Your letter of August 27 requests approval to modify the commingling system approved by our letter of November 22, 1966, for that portion of lease Las Cruces 031736 (b) in the NE $\frac{1}{4}$ sec. 21 and the NW $\frac{1}{4}$ and the NW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 22, T. 20 S., R. 37 E., Lea County, New Mexico. You propose to add Cass Pennsylvanian pool production from well No. 12, in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 22, to presently commingled Monument (Grayburg-San Andres) pool, Weir Blinebry pool, and Monument Tubb pool production.

The system for commingling described by the diagram attached to your letter is hereby approved. The addition of any other well to the system or any other change in the system must receive prior approval from this office.

Please 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 & Gas Supervisor

APPLICATION TO NMOC - 8-26-68 UES: 341-541.112 x400

COMMINGLING OF PRODUCTION
GILLULY 'B' FEDERAL LEASE
LEA Co. N.M.

ADMINISTRATIVE ORDER PC-111