

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico
March 19, 1968

R-347

File: VES-95-400 x 541.112

Subject: Commingling of Pool Production
State "DK" No. 1, Bagley,
North Lower Penn-Oil; State
"DK" No. 2, Bagley, North
Upper Penn-Oil, into State
"DK" Commingled Battery
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)
Post Office Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Pan American Petroleum Corporation respectfully requests and submits this application for administrative approval for the commingling of production from the following pools covered by the State "DK" Lease, State Land No. E-7489:

Bagley, North Lower Penn - Oil Pool
N/2 of NE/4 Sec. 17, T-11-S, R-33-E,
Lea County, New Mexico.

Bagley, North Upper Penn - Oil Pool
E/2 of NW/4, Sec. 17, T-11-S, R-33-E,
Lea County, New Mexico.

State "DK" Well No. 2, located 660' FNL x 1980' FWL (Unit C) Section 17, T-11-S, R-33-E, was completed March 15, 1968, with a pumping test of 68 BO and 508 BW in 24 hours. GOR volume is too small to measure, oil - 47° API Cgr.

Production from the State "DK" Well No. 1, located 660' FNL x 660' FEL (Unit A) Section 17, T-11-S, R-33-E, averaged approximately 20 BOPD in January and 39 BOPD in February. On latest test well had a GOR of 1268.

Both wells are marginal and physically incapable of producing top unit allowable for their respective pools and gas-oil ratios will not penalize production.

*(write Order
& Hold w/o
date for
Lead
O/c
Consent)*

Handwritten notes in cursive script, including the word "Revenue" at the bottom left.

Main body of the document containing faint, mostly illegible text, possibly a form or report.

New Mexico Oil Conservation Commission
Page 2
March 19, 1968

Gravities from both pools approximate 47°, and no penalties shall be experienced due to the commingling.

In view of the above we propose to commingle without separately measuring the production from each pool.

Periodic well tests will be conducted and be used as a basis for allocating production to each pool and well.

Attached is a schematic drawing of the proposed commingled battery.

There is no diversity of working interests and/or royalty interests.

Yours very truly,


V. E. Staley
Area Superintendent

RRY:sph

Attach.

Cc: NMOCC
P. O. Box 1980
Hobbs, N.M.

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

8

Graham-St.
BOREN

R. 33 E.

GULF

●1

4307'

●1
10400TD
10114 TP
F120/D
5-9-67

GULF & SOHJO
HBP
"06"

●1
10270TD.
9386-530
F.353/D.H
12-28-67

Boren
Shza - Klimenko

●1
10378TD.
9832-10131 Pf.
P.269 B0+348W
12-15-67

Boren
Champlin-St.

4307'
●1
10360TD
9367 TP
F.264/D
10-25-67

HUMBLE
10-16-66

BAGLEY, No "DK"
UPPER PENN

●2 PAN AMERICAN
109243
HBP

BAGLEY, No
LOWER PENN

4303'



STATE "DK"
COMMINGLED BATTERY

GULF
HBP

4295' S7
●3 U.S.
10275TD
10086TP
F.132/D
3-8-67

STOLTZ
(SUNRAY)
8-18-69
Shell-St.

4301'

●1
10300TD.
10268TB
9882-10,243 Pf.
F.105/D.1412BW
9-25-67

PAN AMERICAN 4294
14-5-68
H.B.P.

●1
10268 TD
10088 TP
P.115/D
2-24-67

17

Stoltz-Clark
Dolly

U.S.A. etal
F. O'NEILL
4-1-65 (1)
●1
10300TD
10018 TP L Penn.
F.342/D
1-27-68

Christianson State
4296'

●1
10360 TD
10030 TP
F.96/D
3-3-67
D.H. STOLTZ
"NBN"

Stoltz
Angover-Fed.
4299'

●1
10250 TD
10194 PB
296/D
2-4-66

(McALESTER FUEL etal)

OWWO
4297'
●1
11607TD.
10744 TP. A
F.300/D.
6-7-59
10123 PB
9481 T.F.
P.204/D
+ 306 BW
9-9-65
8717-22 Pf.
Wifcp.
F300/D.
1-18-65

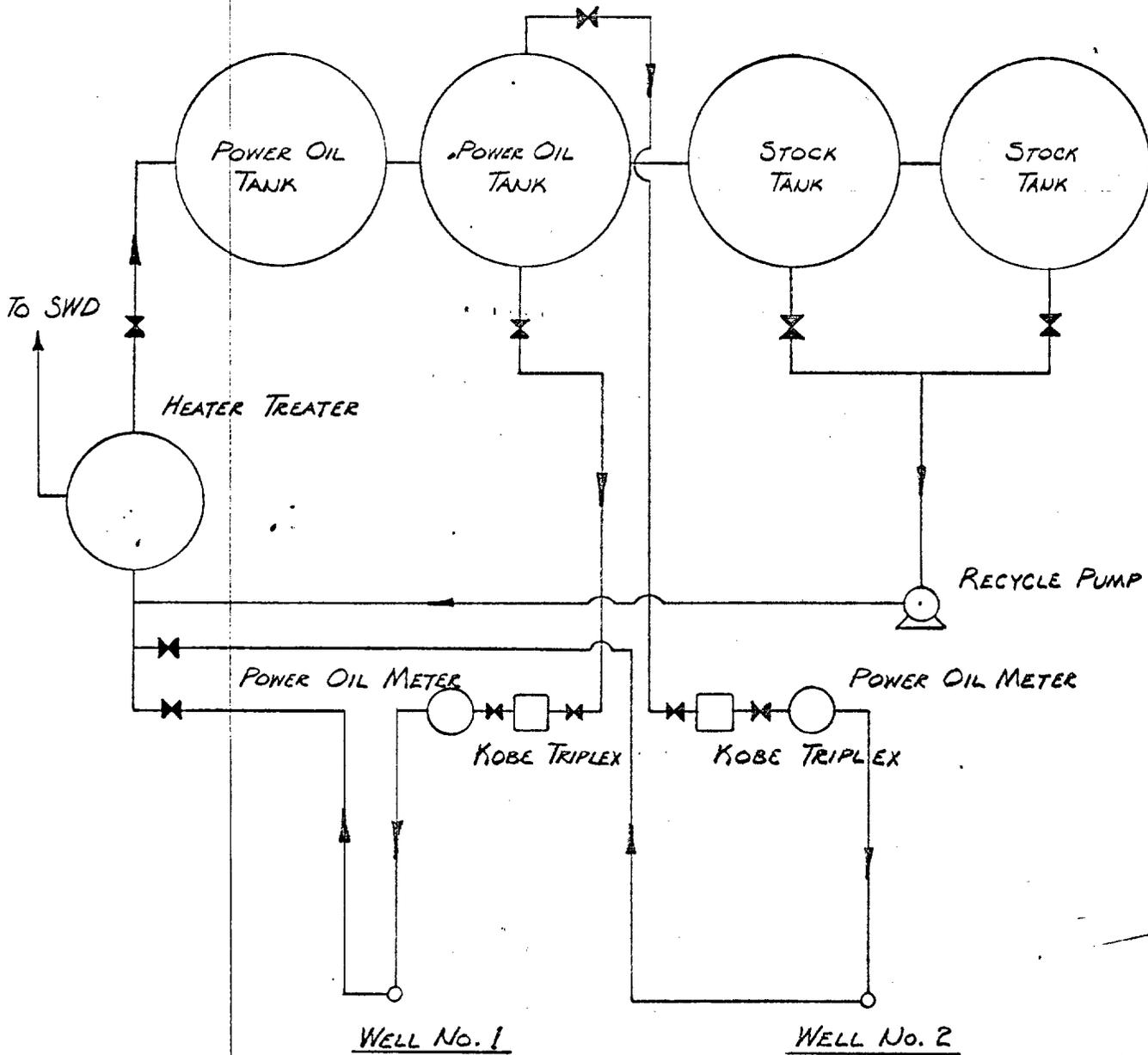
T
H
S

OWWO
4312
●1
F.A. Marley
(LONE STAR)
RUNNELS etal
11686TD.
4-29-57
5-14-62

Stoltz
Bess
●1
10250TD.
9308-11 Pf.
F.352/D.
12-22-67

PAN AMERICAN PETROLEUM CORP.
STATE "DK" LEASE COM. BAT.
LEA CO., NEW MEXICO

SCALE: 1" = 1000'



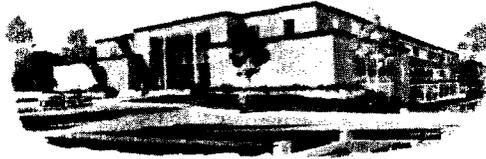
PAN AMERICAN PETROLEUM CORPORATION

SCALE: NONE

PROPOSED COMMINGLING INSTALLATION
STATE "DK" LEASE, NORTH BAGLEY FIELD

DRG. No. 3/68

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

March 22, 1968

Pan American Petroleum Corporation
Post Office Box 68
Hobbs, New Mexico
88240

Attention: Mr. V. E. Staley, Area Superintendent

Gentlemen:

Re: Your File: VES-94-400 -- Commingling of Pool Production State
"DK" Lease, State Land Lease No. E-7489, Lea County, New Mex
LOCO # 12

In reply to your request of March 19, for pool commingling of oil production on the State "DK" Lease from the Bagley, North Lower Penn, and Bagley, North Upper Penn Oil Pools, your request will be granted upon receipt from you of the \$10.00 filing fee.

Very truly yours,

GUYTON B. HAYS
Commissioner of Public Lands

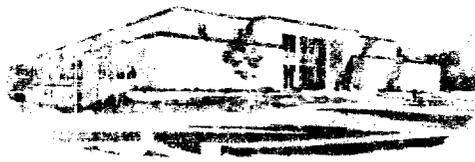
By: *Ted Bilberry*
TED BILBERRY, Director
Oil and Gas Department

TB:jc

cc: New Mexico Oil Conservation Comm
P. O. Box 2088
Santa Fe, New Mex 87501

1968 MAR 25 AM 10 25

State of New Mexico



Commissioner of Public Lands



STATE OF NEW MEXICO
DEPARTMENT OF LANDS

Albuquerque, New Mexico

Dear Sir: I have your letter of the 10th instant regarding the proposed lease of the land described in your letter of the 10th instant.

Very truly yours,

Respectfully,
C. J. ...

Very truly yours,
C. J. ...
Commissioner of Public Lands

I have your letter of the 10th instant regarding the proposed lease of the land described in your letter of the 10th instant. I have also your letter of the 10th instant regarding the proposed lease of the land described in your letter of the 10th instant.

Very truly yours,

C. J. ...

Commissioner of Public Lands

Very truly yours,
C. J. ...
Commissioner of Public Lands

C. J. ...

Very truly yours,

Very truly yours,

C. J. ...

Commissioner of Public Lands