FORM 470 2-57

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico 88240

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PC-392

February 27, 1969

File: VES-114-541.112 x 400

Subject: Application for Commingling of Production, Plains Unit Federal-Lusk Strawn Oil Pool, Plains Unit Federal-Wildcat Delaware Oil Pool, Lea County, New Mexico into Plains Unit Storage System

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Pan American respectfully requests and submits this application for Administrative approval to commingle oil production on our Plains Unit Federal Lease from the Lusk-Strawn Oil Pool and the Wildcat Delaware Oil Pool.

SECTIONS 21, 28 and 33 of T-19-S, R-32-E, NMPM, Lea County, N.M.

PLAINS UNIT FEDERAL LEASE

WELL NO.	LOCATION	POOL	BOPD TEST
2	SW/4 NW/4 Sec. 28	Lusk-Strawn-Oil	73
3Y	NW/4 SW/4 Sec. 28	" " "	13
4Y	SW/4 SW/4 Sec. 21	" " "	28
7	NW/4 NW/4 Sec. 33	Wildcat-Delaware-Oil	35

The Plains Unit Storage System is located in the SW/4 NW/4 of Section 28, T-19-S, R-32-E, NMPM, Lea County, New Mexico, a schematic of which is attached.

Production from each pool shall be metered and sampled separately, utilizing A. O. Smith Type T-6 temperature compensated meters. The installation and maintenance shall be in accordance with the NMOCC "Manual for the Installation and Operation of Commingling Facilities."

Any reduction in revenue from sale of production shall be minimal due to volumes of production and the proximity of gravities, 39.5° ($3.14/bbl) and 43.4° ($3.16/bbl) from the Delaware and Strawn, respectively.

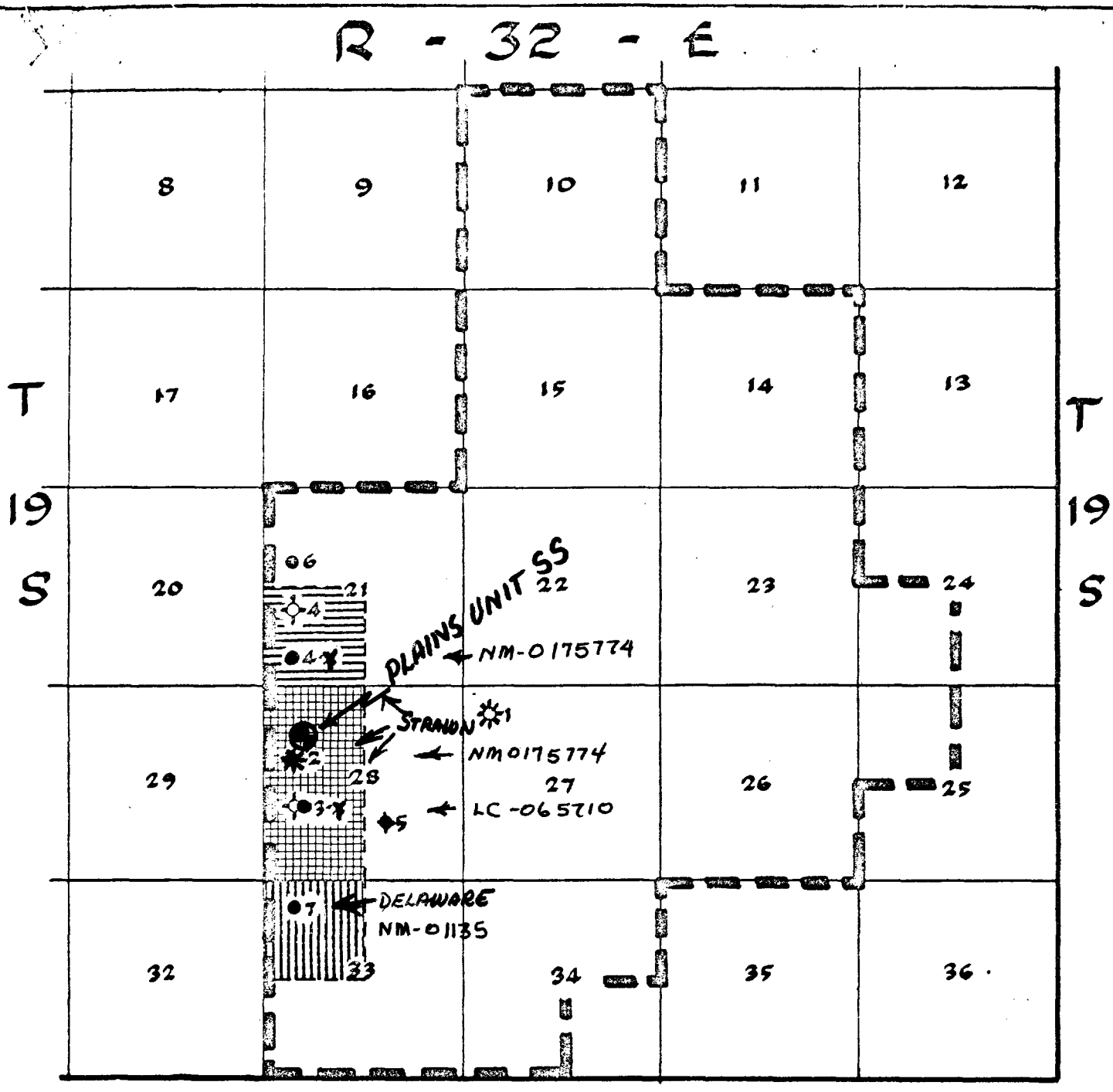
Plains Unit Well No. 7 was recently recompleted from the Lusk Strawn to the Delaware. A plat, depicting the wells involved, is attached.

By certified mail, copies of this application are being furnished to all royalty and/or working interest owners.

Yours very truly,

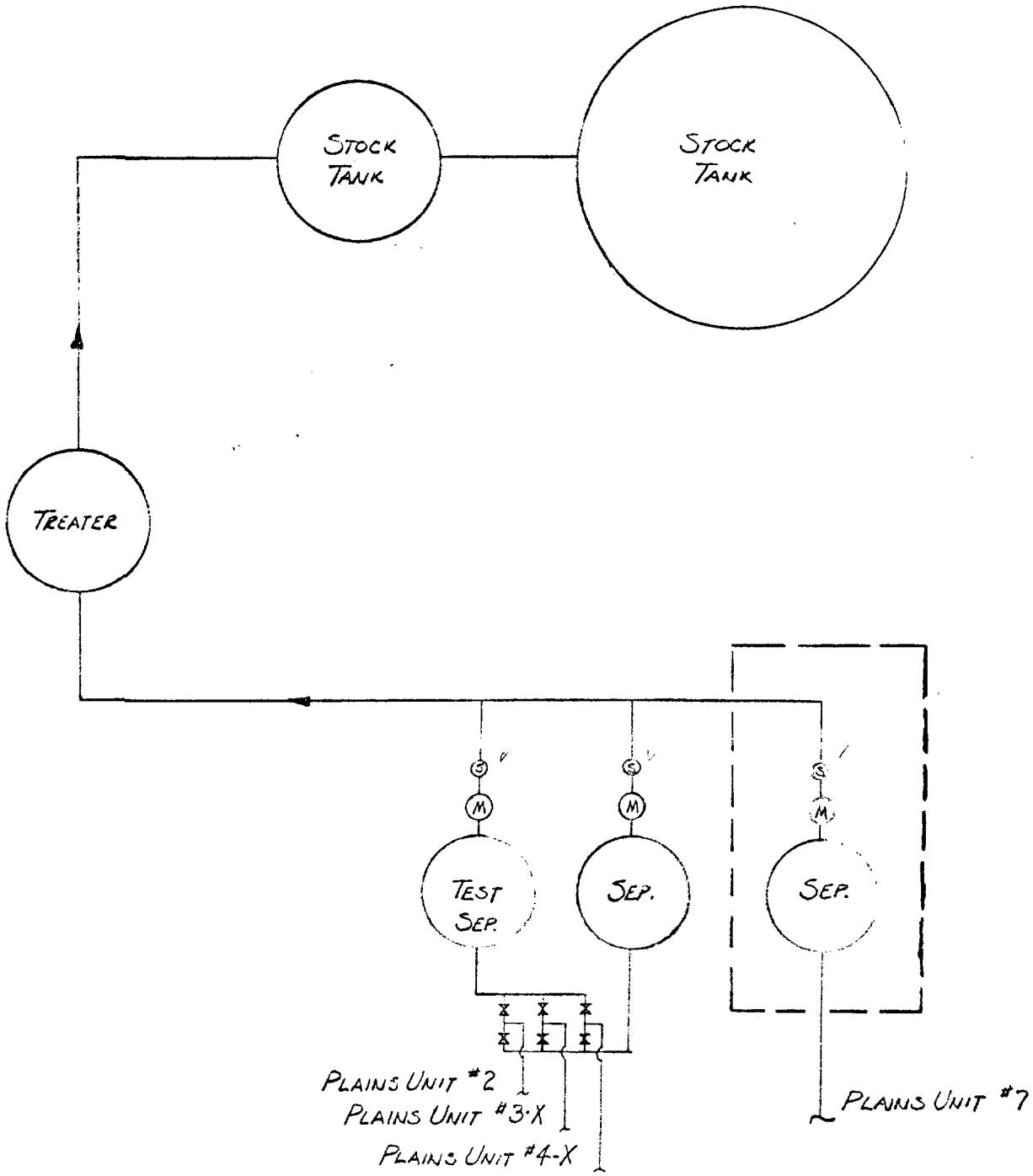
V. E. Staley
Area Superintendent

RRY/jt



PAN AMERICAN PETROLEUM CORPORATION

PLAINS UNIT FEDERAL
LUSK-STRAWN-OIL
WILDCAT-DELAWARE-OIL
PLAINS UNIT STORAGE SYSTEM
LEA CO. N.M.



PAN AMERICAN PETROLEUM CORPORATION	SCALE: NONE
PROPOSED COMMINGLING INSTALLATION PLAINS UNIT #7 S.W. 1/4 THE NW/4 SECT. 28 T-19-S R-32-E LEA COUNTY, NEW MEXICO	DRG. No. AML

MAILING LIST

U.S.G.S. (2)
P. O. Drawer 1857
Roswell, New Mexico 88201

Richardson Oil, Inc.
12th Floor
Fort Worth National Bank Building
Fort Worth, Texas 76102

Perry R. Bass
12th Floor
Fort Worth National B nk Building
Fort Worth, Texas 76102

Delbasin
12th Floor
Fort Worth National Bank Building
Fort Worth, Texas 76102

Ewell H. Muse, Jr. and Mary T. Muse
Suite 415, Parry Brooks Building
Austin, Texas 78700

Featherstone Farms Ltd.
239 Petroleum Building
Roswell, New Mexico 88201

Tenneco Oil Company
P. O. Box 2511
Houston, Texas 77000

Higgins Trust, Inc.
c/o W. Sam Edwards
591 Mountain View Circle, N.W.
Gainesville, Georgia 30501

Alex J. Diepenbrock
909 Fair Oaks Avenue
South Pasadena, California 91030

Luis S. Kemnitzer
1717 Lasuen Road
Santa Barbara, California 93103

James G. Creed
4503 Atoll Avenue
Sherman Oaks, California

William S. McBurnie
1831 Truxten Avenue
Bakersfield, California

Hazel D. Boellner
P. O. Box 732
Ruidoso, New Mexico 88345

Betty Arden Boellner Jones
4508 Bob-o-link Way
El Paso, Texas 79900

Lois Jeanne Boellner Fry
2505 North Washington Avenue
Roswell, New Mexico 88201

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

Pan American Petroleum Corporation
P. O. Box 68
Hobbs, New Mexico 88240

NOV 13 1969

November 11, 1969

Mr. Dan Nutter
New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Pursuant to your telephone call 11-10-69, to Mr. Ed Snook of this office regarding commingling of production on the Plains Unit, the following is furnished per your request. The Lusk Delaware does not have a test seperator. We presently have wells No. 7 and 9 completed in the Delaware. One of the wells is shut-in when a well test is conducted.

If further information is needed, please let us know.

Yours very truly,

V. E. Staley EDR
V. E. Staley
Area Superintedent

EDR/bsh

Surp - 12-1-69

NOV 18 1969

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

RECEIVED
PAN AMERICAN
PETROLEUM CORP.
MAR 17 1969
HOBBS, N. M.

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March 12, 1969

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

Attention: Mr. V. E. Staley

Gentlemen:

Your letter of February 28, 1969, requests approval to commingle production from the Lusk Strawn oil pool and the undesignated Delaware oil pool into the Plains unit storage system.

The method of measuring and handling the oil production from the wells, as outlined in your letter and described in your application to the New Mexico Oil Conservation Commission, is hereby approved. Any changes in the system must receive prior approval from this office. Your Lessee's Monthly Report of Sales and Royalty, form 9-361, should show all computations used in allocating production.

You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Copy to NMOCC on 7/17/69

USGS Hobbs notified 5/17/69 RBY - AR Brown

Sincerely yours,

Carl C. Traywick

CARL C. TRAYWICK
Acting Oil and Gas Supervisor