

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 26, 1965

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

Attention: Mr. V. E. Staley

Administrative Order PLC-18

Gentlemen:

Reference is made to your letter of January 8, 1965, wherein you request authority to commingle Shugart Delaware, Shugart Bone Springs, and Shugart Wolfcamp production from your C. E. Hinkle Lease and from your Greenwood Unit in Sections 26, 27, 34, and 35 of Township 18 South, Range 31 East, Eddy County, New Mexico, after separately metering the production from each lease and from each pool.

Pursuant to the authority granted me under the provisions of Rule 303 (b) and 309-B of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools and leases in the above-described manner. Provided, however, that the installation shall be operated in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities," including the requirement for non-reset counters on the meters. You are also requested to notify the Artesia District Office of the Commission at such time as this installation is complete in order that an inspection may be made of the installation prior to putting it in use.

Administrative Order PC-31, which previously authorized the commingling of Shugart Delaware, Shugart Bone Springs, and Shugart Wolfcamp production from Greenwood Unit Wells Nos. 3 and 4, dated May 25, 1961, as amended by letter of September 27, 1961, is hereby superseded.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALF:DSN:ag

cc: Oil Conservation Commission - Artesia (with enclosure)
Oil & Gas Engineering Committee - Hobbs
United States Geological Survey - Roswell
PC-31 File

NO 821 M... 100-1118-0010

100-1118-0010

CONFIDENTIAL

90 JAN 15 1965

-18

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

January 8, 1965

File: VES-7-400 x 541.112

Subject: Application To Commingle
Oil Production
C. E. Hinkle Lease
Eddy County, New Mexico

ILLEGIBLE

Mr. A. L. Porter, Jr. (3)
Secretary-Director
New Mexico Oil Conservation Commission
Post Office Box 571
Santa Fe, New Mexico

Dear Sirs:

Pan American Petroleum Corporation hereby submits application for the commingling of oil production from the following wells and pools:

C. E. Hinkle No. 1 located in Unit E, Section 27, Township 18 South, Range 31 East, Eddy County, New Mexico. This well is completed in the Shugart Delaware oil pool.

Greenwood Unit No. 4 located in Unit A, Section 27, Township 18 South, Range 31 East, Eddy County, New Mexico. This well is completed in the Shugart Delaware oil pool.

Greenwood Unit No. 3 located in Unit H, Section 27, Township 18 South, Range 31 East, Eddy County, New Mexico. This well is dually completed in the Shugart Bone Springs and Shugart Wolfcamp pools.

In support of our request for exception without notice and hearing to Rules 309A and 309B, to permit the commingling in common facilities of oil production from leases of diversified ownership having two or more common sources of supply, the following is submitted.

1. Shugart Delaware, Shugart Bone Springs and Shugart Wolfcamp oil production from the Greenwood Unit Wells No. 3 and No. 4 is presently commingled at the Greenwood Storage System located in the SE/4 of NE/4 of Section 7, Township 18 South, Range 31 East, Eddy County, New Mexico, as

ILLEGIBLE

approved May 26, 1961, Administrative Order PC-31. Production from each pool is measured separately, utilizing A. O. Smith T-6 temperature compensated meters equipped with samplers. Shugart Delaware production from the C. E. Hinkle No. 1 will also be metered and sampled separately, utilizing an A. O. Smith T-6 temperature compensated meter equipped with a sampler.

2. A BS&M reading will be taken every eight days and the production recorded.
3. Detailed data of liquid hydrocarbons.

<u>Pools</u>	<u>Gravity</u>	<u>Annual Production</u>	<u>Value/Ebl</u>
A. C. E. Hinkle	36.8	13,900	2.87
B. Presently Commingled Production - Greenwood Storage System	37.5	25,200	2.89
C. Commingled	37.3	39,100	2.89

The commercial value of the commingled production will be approximately \$278 per year more than the sum of the presently commingled production and the production from the C. E. Hinkle No. 1.

4. Schematic diagram of the proposed installation is attached.
5. Plans of the leases, showing the location of wells and the pools in which they are completed are attached.
6. All parties owning an interest in the C. E. Hinkle Lease and the purchaser of the commingled production have been notified of our intention to commingle production from these leases.

Yours very truly,

Original Signed by:
V. E. STALEY

V. E. Staley
Area Superintendent



MAILING LIST

Continental Oil Company
P. O. Box 5565 F
Dallas 22, Texas

United States Geological Survey
Drawer 1857
Roswell, New Mexico

Pan American Petroleum Corporation
P. O. Box 1540
Midland, Texas

Attention: Mr. G. L. Shoemaker

ILLEGIBLE