

ORIGINAL

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

December 22, 1961

File: VES-611-400 x 986.510.1

Subject: Application To Commingle
Oil Production - State "C"
Tract 12 Lease, Lea
County, New Mexico

Mr. A. L. Porter (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 and condensate production from the following wells and pools:

State C Tract 12 No. 6X located in Unit C, Section 16, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Drinkard (oil) and Tubb (gas) pools.

State C Tract 12 No. 7 located in Unit D, Section 16, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Drinkard (oil) and Blinbry (oil) pools. Application for dual completion submitted through administrative channels December 15, 1961.

State C Tract 12 No. 3 located in Unit E, Section 16, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Drinkard (oil) and Eumont (gas) pools.

State C Tract 12 No. 4 located in Unit F, Section 16, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Drinkard (oil) and Blinbry (gas) pools.

In support of our request for exception approval 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:

*OK provided non-resist
totalizers are used on
the A.C. Smith meters
and no common
test facilities are
used.*

*Letter of approval might
also suggest that
they file for approval
of non-std 120-
acre gas production
unit for the No
4 well if they
have not already
done so, in view
of the pending
dual compl of
the No 7 as
a Drinkard
Blinbry oil
oil deal.*

1. The oil production from each common source will be measured separately utilizing A. O. Smith T-6 temperature compensated meters. The BS&W content of the Blinebry-Tubb condensate will be determined periodically by the centrifugal testing procedure since those pools are producing less than 2% BS&W. Samplers will be utilized on the Blinebry (oil) and Drinkard (oil) pools since each is producing in excess of 2% BS&W.
2. The A. O. Smith T-6 meters will be proved monthly in the existing 500 bbl. stock tanks.
3. Testing wells from each source of supply will be performed as follows: (a) Drinkard oil wells will be tested utilizing a test separator; (b) the Blinebry oil well will be on test daily. If more than one Blinebry well is completed, the wells will be tested by shutting-in all but one well and testing. If production losses occur when utilizing the above procedure, a test separator will be installed for testing the Blinebry wells; (c) the Blinebry-Tubb condensate well test will be performed by shutting-in all but one well and testing.
4. Detailed data of liquid hydrocarbons:

<u>Pools</u>	<u>Average Gravity (°API) Based On Last 12 Months</u>	<u>Value/Bbl. Based On Last 12 Months</u>	<u>Estimated Annual Production</u>
A. Blinebry (oil)	34.8	2.89	6,300
B. Drinkard (oil)	37.5	2.95	36,000
C. Blinebry-Tubb (Condensate)	61.7	2.79	2,930
D. Commingled Production	38.7	2.97	45,230

The commercial value of the commingled production will be more than the sum of the production from each common source of supply by approximately \$1625 per year.

5. Schematic diagram of proposed installation is attached. Tank battery facility to be located in NW/4 NW/4 Section 16, T-21-S, R-37-E, Lea County, New Mexico.
6. Plat showing the location of all wells on the State C Tract 12 Lease and the pools from which each well is producing is attached.

Yours very truly,

V. E. Staley
Area Superintendent

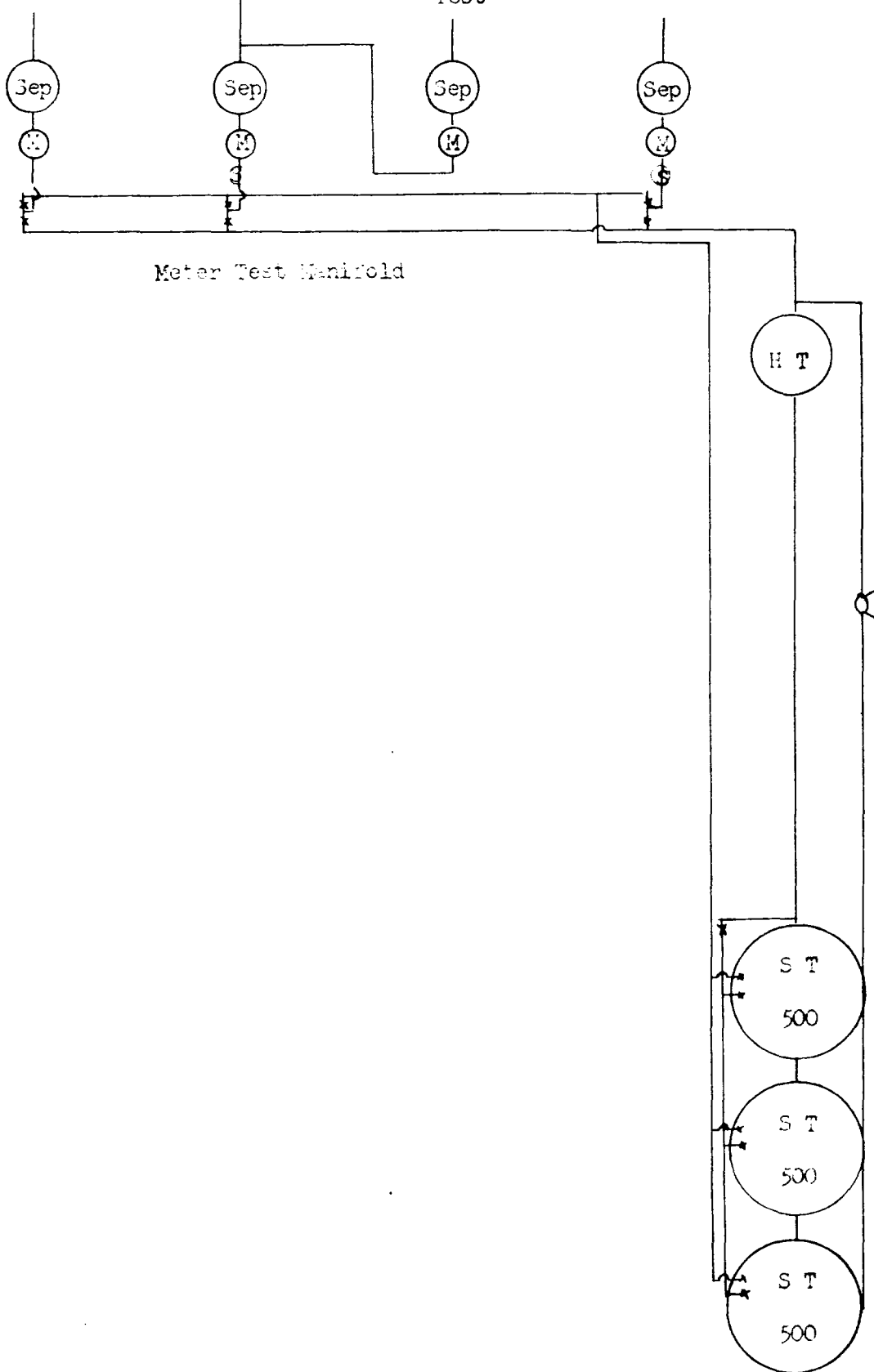
Attachments

Tubb-Blinbry
(Condensate)

Drinkard
(Oil)

Drinkard
(Oil)
Test

Blinbry
(Oil)

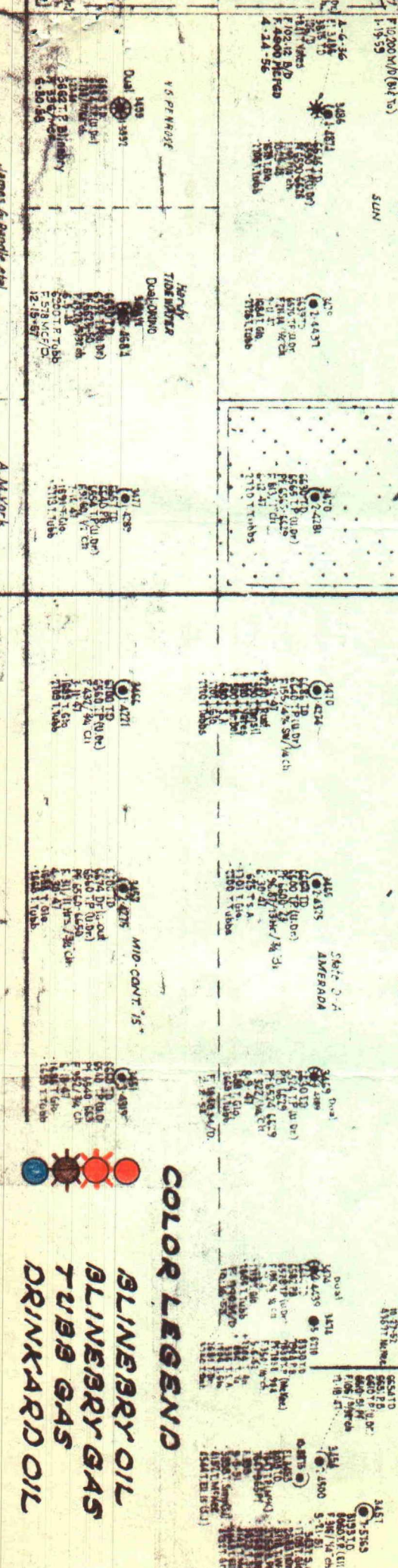
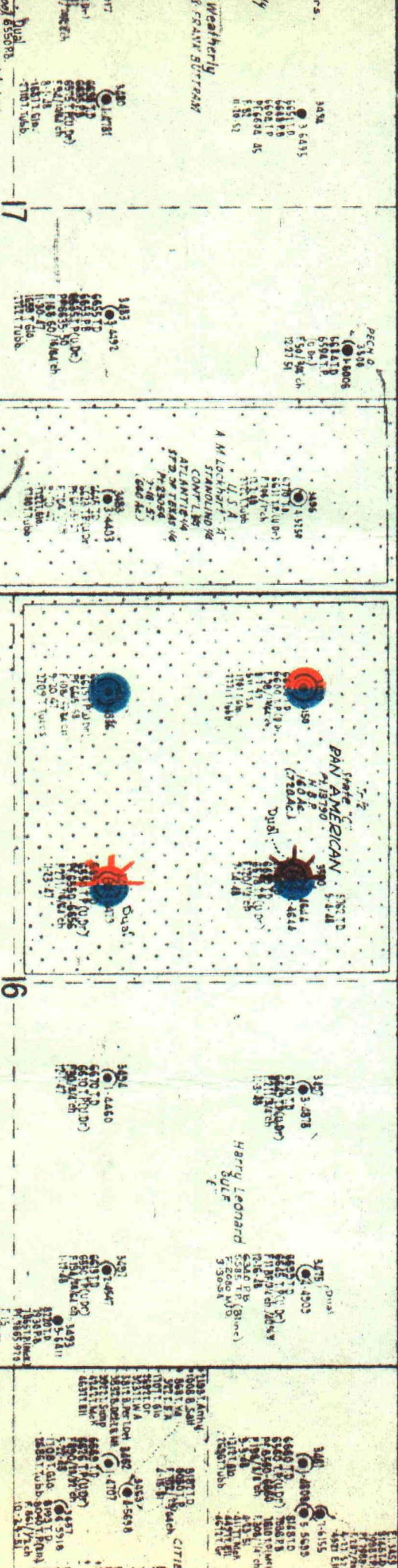
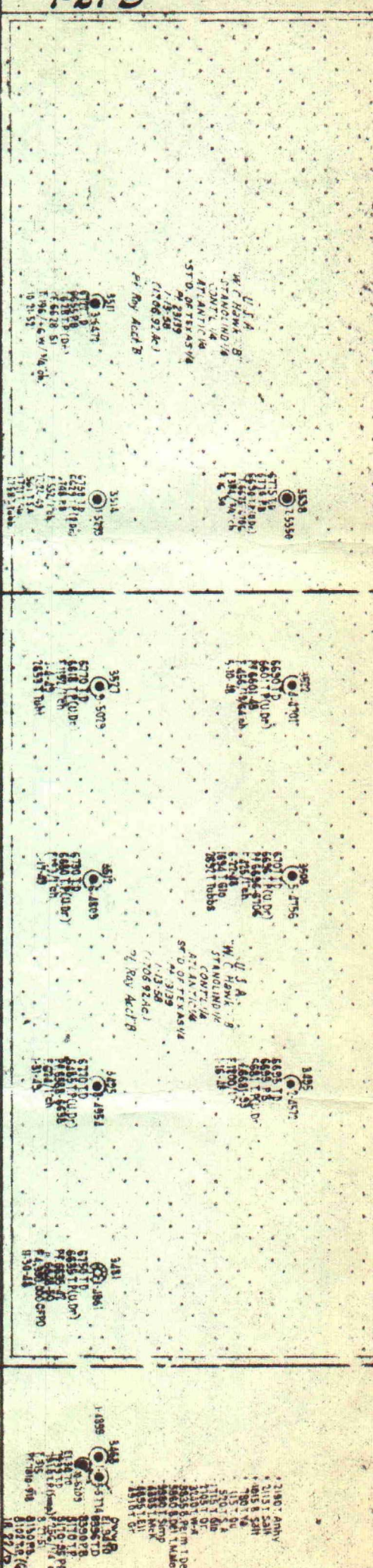


PAN AMERICAN PETROLEUM CORPORATION

SCALE:

Schematic diagram of proposed battery installation - State "D" Tract 12
Lease, NW 1/4 NW 1/4 Section 16, T-21S, R-37E, Lea County, New Mexico

DRG.
No.



ILLEGIBLE

APR 10 8 3 7

March 27, 1963

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

Re: Application to Commingle Oil Production -
State "C", Tract 12 Lease, Lea County.

Attn: V. E. Staley

Gentlemen:

The Oil Conservation Commission has approved the orders to commingle the above; however, without the approval of the Commissioner of Public Lands, this order is not valid. Therefore, it is requested that you make formal request to the Commissioner of Public Lands for permission to commingle.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By:

ROMULO MARTINEZ
Oil and Gas Department

EW/RM/pr

C
O
P
Y