

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

PC-

November 6, 1962

File: VES-367-986.510.1 x 400

Subject: Commingling O. J. Gillully
"B" Lease

Mr. Daniel S. Nutter
Chief Engineer
New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Dear Sir:

This has reference to your letter of October 31, 1962, which requested additional information pertaining to our commingling application on the O. J. Gillully "B" Lease.

The pay zones in the schematic diagram were inadvertently transposed. Please find attached three copies of the corrected schematic diagram showing the Monument Grayburg San-Andres Zone as the zone being measured.

We hope this will clarify the above application.

Yours very truly,

V. E. Staley
V. E. Staley
Area Superintendent

BAK:sln

Attachments

cc: N.M.O.C.C.
P. O. Box 2045
Hobbs, N. M.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE. NEW MEXICO

October 31, 1962

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

Attention: Mr. V. E. Staley

Gentlemen:

**Reference is made to your application to commingle
Monument Grayburg and Monument Tubb production on your
O. J. Gillully "B" Lease in Lea County, New Mexico.**

**Application states that the production from the
Monument Grayburg zone would be measured separately and
the Tubb production determined by the subtraction method;
however, the schematic diagram of the battery installa-
tion indicates that the Tubb production would be metered.
Please advise as to which zone will actually be metered.**

Very truly yours,

**DANIEL S. MUTTER
Chief Engineer**

DSM/esr

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

File: VES-352-986.510 x 400

Subject: Application to Commingle
Production, O.J. Gillully "B"
Lease, Lea County, New Mexico

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

O. J. Gillully "B" No. 2 located in Unit B, Section 21, T-20-S, R-37-E, NMPM, Lea County, New Mexico. This well is completed in the Monument Grayburg, San Andres Field.

O. J. Gillully "B" No. 4 located in Unit D, Section 22, T-20-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Monument Grayburg, San Andres (oil) and Eumont (gas) Fields.

O. J. Gillully "B" No. 5 located in Unit C, Section 22, T-20-S, R-37-E, NMPM, Lea County, New Mexico. This well is completed in the Monument Grayburg, San Andres (oil) Field.

O. J. Gillully "B" No. 6X located in Unit A, Section 21, T-20-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Monument Grayburg, San Andres (oil) and Eumont (gas) Fields. The Monument oil zone is presently shut-in.

O. J. Gillully "B" No. 8 located in Unit C, Section 22, T-20-S, R-37-E, NMPM, Lea County, New Mexico. This well is completed in the Monument Tubb (oil) Field.

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:

1. The oil production from the Monument Grayburg, San Andres will be measured and sampled separately utilizing an A. O. Smith T-6 meter. The BS&W content will be determined every

eight days by centrifugal testing procedures. The Tubb production will be allocated by the subtraction method.

2. The meter will be proved monthly in the existing 500 barrel stock tanks.
3. Detailed data of liquid hydrocarbons:

<u>Pools</u>	<u>Expected Gravity</u>	<u>Expected Price/Bbl.</u>	<u>Est. Annual Production</u>
A. Tubb (oil)	36.8	2.87	22,630
B. Monument Grayburg, San Andres (oil)	28.8	2.71	3,650
C. Commingled	35.7	2.85	26,280

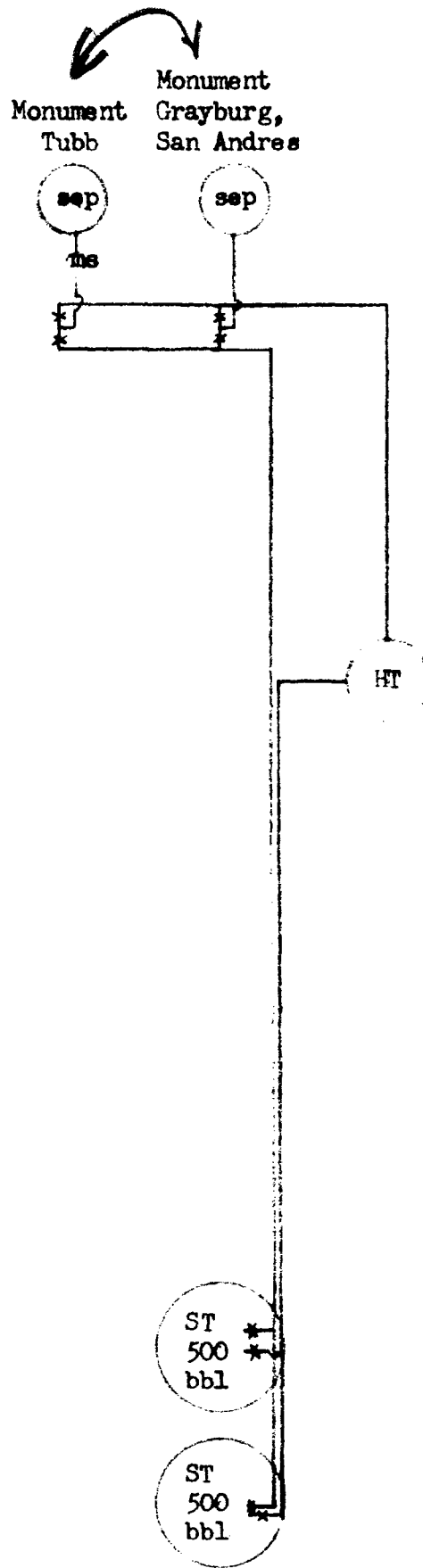
The commercial value of the commingled production will be \$58 per year more than the sum of the production from each common source of supply.

4. Schematic diagram of proposed installation is attached. Tank battery facility to be located in SW/4, NE/4, Section 21, T-20-S, R-37-E, Lea County, New Mexico.
5. Plat showing the location of all wells on the O. J. Gillully "B" Lease and the pools from which the well is producing is attached.

Yours very truly,

V. E. Staley
Area Superintendent

Attachments



PAN AMERICAN PETROLEUM CORPORATION

Schematic diagram of proposed battery installation, O. J. Gullully "B" Lease, SW/4, NE/4, Section 21, T-20-S, R-37-E, Lea County, New Mexico.

SCALE:

DRG.
NO.

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

November 8, 1962

File: VES-927-400.1

Subject: Application to Commingle
Production - O. J. Gil-
lully "B" Lease - Lea
County, New Mexico

Mr. A. L. Porter, Jr.
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Attached is a copy of the United States Geological Survey's letter dated 11-2-62 granting their approval for Pan American to commingle production from the Monument Grayburg - San Andres and Tubb Pools on the O. J. Gillully "B" Lease.

This letter supports application submitted to your office in our letter of 10-24-62, File: VES-352-986.510 x 400, Subject: Application to Commingle Production - O. J. Gillully "B" Lease, Lea County, New Mexico.

Yours very truly,



V. E. Staley
Area Superintendent

RRY/bgw

Attachment



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

IN REPLY REFER TO:

November 2, 1962

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

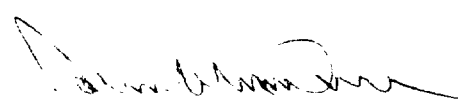
Attention: Mr. V. E. Staley

Gentlemen:

Your letter of October 25, 1962, requests approval to commingle production from the Monument Grayburg-San Andres and Tubb Pools on the O. J. Gillully "B" lease, Federal lease Las Cruces 031736(b).

The method of commingling described by the diagrams attached to your letter is hereby approved. You are requested to notify our Hobbs office when the installation is completed so that a field inspection of the system can be made.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

RECEIVED	
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PETROLEUM CORP.	
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