

DATE 1951 Pan American Petr. Corp.
to produce gas production from 4
separate leases in 16S-27E, Eddy Co.

Spec. of
Spec. of

Case No.

1552

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
NOVEMBER 19, 1958

IN THE MATTER OF:

APPLICATION OF PAN AMERICAN PETROLEUM CORPORATION, CASE 1552

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
NOVEMBER 19, 1958

IN THE MATTER OF:

Application of Pan American Petroleum Corporation
for permission to commingle the production from
four separate leases. Applicant, in the above-
styled cause, seeks an order authorizing it to
commingle the production from the Abo formation
adjacent to the Empire - Abo Pool from the four
separate State leases hereinafter described:

E-5461 NW/4 NW/4 Section 2

B-7244-30 S/2 NW/4, NW/4 SW/4, and SE/4 SW/4
Section 2

B-8814-12 NE/4 SW/4 Section 2

E-7833 SW/4 SE/4 Section 2

all in Township 18 South, Range 27 East, Eddy
County, New Mexico. Applicant proposes to
separately meter the production from each of
said leases prior to being commingled.

) Case 1552

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Next case on the Docket will be 1552.

MR. PAYNE: Case 1552, application of Pan American
Petroleum Corporation for permission to commingle the production
from four separate leases.

MR. BUELL: May it please the Examiner, my name is Guy
Buell with Pan American Petroleum Corporation. We will have one
witness for this case, Mr. Currens, who has previously been
sworn.

MR. PAYNE: Let's swear him for this case, too.

(Witness sworn)

DANIEL R. CURRENS

the witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. BUELL:

Q State your full name, by whom you are employed, in what capacity and at what location, please?

A Daniel R. Currens. I'm employed by Pan American Petroleum Corporation as a Petroleum Engineer at Roswell, New Mexico.

Q Mr. Currens, you have testified at prior Commission hearings and your qualifications as a Petroleum Engineer are a matter of public record, are they not?

A Yes.

MR. BUELL: Are the witness' qualifications acceptable?

MR. UTZ: They are acceptable.

Q (By Mr. Buell) I direct your attention to what has been marked as Pan American's Exhibit 1. What does this reflect?

A Exhibit 1 is a plat showing the area covered in this application and the surrounding area, showing the leases involved in the application outlined in various colors and showing wells, also wells, in this immediate area encircled in orange.

Q All the acreage that is involved in this application, is that all State land?

A Yes, sir, it is.

Q Only one royalty owned by the State?

A Yes, sir.

Q Would you point out on Exhibit 1 and locate for the record the various tracts involved in this application?

A Yes, sir. Outlined in red here we show a 40-acre tract which is the northwest quarter of the northwest quarter of Section 2. Outlined in green is another lease which is the south half of the northwest quarter of the northwest quarter of the southwest quarter, and the southeast quarter of the southwest quarter of Section 2. Outlined in orange is a 40-acre lease which is the northeast quarter of the southwest quarter of Section 2. Outlined in blue is a fourth lease which is the southwest quarter of the southeast quarter of Section 2. All of these are in Township 18 South, Range 27 East.

Q Mr. Currens, on the acreage in question, how many Abo completed wells do we have?

A One.

Q Actually right at this time commingling is not a problem that we are facing today?

A Not immediately; not right today, no, sir.

Q You feel that is it is practical to request commingling authority at this time even though we only have one completed Abo well?

A Well, we are at an early stage of development in this

area. We have four wells drilling on the Abo now. Two of these are on acreage involved in this application. One of these is on a separate lease.

Q So, actually, the approval by the Commission of this request at this time would obviate the necessity of installing temporary tankage as these wells are completed?

A Yes, sir.

Q Actually, what type battery do you have at the completed well now?

A Just temporary facilities there now. We have a single 400-barrel tank at this time.

Q Mr. Currens, I direct your attention now to what has been marked as Pan American Exhibit Number 2. What does that exhibit reflect?

A Exhibit Two is a schematic drawing of the installation along the line that we would use in building a common battery for these four leases. It is very similar to the installation we now have in use on a Federal lease just south of here in Section 11.

Q All right, sir, would you as briefly as possible describe what the schematic diagram reflects?

A Well, possibly we could do that by tracing a flow line into the battery. Let's take this one here (indicating) coming in from the top of the exhibit on the left, trace it down, and let's just take our present well there, the AR -- call it "AR"

for simplicity -- we'd have a line coming in here to the separator for that particular lease through the meter where production, after being metered, could either be routed through normal fill lines or special test facilities into the storage tanks; or, as an alternative, the production could come down the normal lease facilities down the meter into a prover tank and go into a calibration, a testing of the meter, from that prover tank into the storage tank, regular storage tanks, or, as a separate route, it could come down, not go into the normal metering facilities, but go through special test facilities to the test separator, the test meter, and, after going through that test meter, could either be routed directly into the storage tanks or through the prover tank into the storage tanks. I believe that covers it.

Q Will oil separation and treatment, if any, take place ahead of the meter?

A Yes, sir.

Q And production from each individual lease will be separately metered?

A Yes, sir, prior to the time of commingling.

Q What type of meter is contemplated to be used?

A Proof volume type meter.

Q Is that the same type meter currently being used in common batteries to the south that you mentioned a moment ago?

A Yes, sir, that is correct.

Q Have those meters proven themselves accurate and reliable?

A We've been well satisfied with them, yes, sir.

Q Mr. Currens, I believe you stated that only one royalty owner was involved?

A Yes, sir, that's correct.

Q Have they been advised of our proposed plans which have been submitted here today to the Commission?

A Yes, sir.

Q Have they signified agreement?

A Yes, sir, I have a copy of a letter from the Commissioner of Public Lands who says it is satisfactory with this office for your company to commingle production from any State oil and gas leases including any portion of Section 2.

MR. BUELL: May we have that exhibit marked as Exhibit 3, Mr. Examiner?

MR. UTZ: Yes.

(Marked Pan American Exhibit 3
for identification.)

Q (By Mr. Buell) Mr. Currens, in your opinion, if the Commission approves our application here today, will the correlative rights of all the parties of interest be protected?

A I believe so. We are metering the production separately from the individual leases before we commingle with any other, or we will do it.

Q All right, sir, with reference to prevention of waste, would approval of this application be a conservation measure?

A I believe we should have a longer economic life in instituting centralized facilities of this sort; therefore, we should have a lower economic limit to individual wells and thereby possibly produce more oil because we can produce longer.

MR. BUELL: Mr. Examiner, that's all the direct testimony we have. I would like to formally offer at this time Exhibits 1, 2 and 3.

MR. UTZ: Without objection they will be received.
Are there questions of the witness?

MR. FISCHER: Yes.

MR. UTZ: Mr. Fischer.

CROSS-EXAMINATION

BY MR. FISCHER:

Q Now, Mr. Currens, did you site the two drilling wells in the subject acreage?

A Yes, sir, shown by circles, one in the tract outlined in blue designated "AS". You see a circle in the center there, which is a 660 from the south and 1980 from the east of Section 2. Those may not be quite the exact footages; they are very close. The other one is designated "AT" and is in the northwest quarter of the southwest quarter of Section 2.

Q The one outlined in blue in that acreage, it is Number One, is that right?

A Yes, sir, that would be the State "AS" Number One.

Q And the one in the northeast quarter of the southwest

quarter of Section 2.

Q What is that number?

A The northeast quarter, that "AT" --

Q Northwest quarter.

A The northwest quarter of the southwest quarter marked "AT", that would be State "AT" Number One.

Q And to the northwest of that circle is a temporarily abandoned well?

A Yes, sir. That is 416 feet. I'm not certain whether it is temporary or permanently abandoned.

Q Could you tell me, or tell the Commission, the location of the present battery in the subject acreage?

A Well, it's on the southeast quarter of the southwest quarter of Section 2 by the State "AR" Number One. It's on that 40-acre tract.

Q Malco will be piping this oil?

A Right now we are trucking, but that's our future plans, yes, sir.

MR. FISCHER: Thank you.

MR. UTZ: Any other questions?

EXAMINATION BY MR. PAYNE:

Q Are any of these leases within the defined limits of the Empire-Abo Pool?

A I don't believe they are now within those limits. We have one Abo well. I feel pretty good about the two we are

drilling.

MR. UTZ: Any further questions of the witness? If not,
the witness may be excused.

(Witness Excused.)

MR. UTZ: Any other statements or testimony to be
offered in this case? If not, the case will be taken under
advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, John Calvin Bevell, Notary Public in and for the County
of Bernalillo, State of New Mexico, do hereby certify that the
foregoing and attached transcript of hearing before the New
Mexico Oil Conservation Commission was reported by me in steno-
type and reduced to typewritten transcript by me; that the same
is a true and correct record, to the best of my knowledge, skill
and ability.

WITNESS my Hand and Seal this 11th day of December, 1958,
in the City of Albuquerque, County of Bernalillo, State of New
Mexico.

John Calvin Bevell
NOTARY PUBLIC

My Commission expires:
January 24, 1962

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 1532
heard by me on *Mar 12* 19*61*.
[Signature], Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

November 28, 1958

C
O
P
Y

Mr. Guy Buell
Pan American Petroleum Corporation
P.O. Box 1410
Fort Worth, Texas

Dear Mr. Buell:

We enclose a copy of Order R-1292 and R-1295 issued November 26, 1958, by the Oil Conservation Commission in Cases 1552 and 1551, respectively.

Please note that these orders require that each meter installed in the subject systems shall be tested for accuracy at intervals and in a manner satisfactory to the Commission. It will be necessary for you to run a series of tests of sufficient duration to determine that the meters are functioning properly immediately following installation. Thereafter, tests should be made at intervals not to exceed one month and a report of said calibration filed with the Commission. The meters shall be calibrated against a master meter or against a test tank of measured volume.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

CC-C. L. Kelley (encs.)

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

**CASE NO. 1552
Order No. B-1292**

**APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR PERMISSION
TO COMINGLE THE ABO PRODUCTION FROM
FOUR SEPARATE LEASES IN EDDY COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 19, 1958, at Santa Fe, New Mexico, before Elvis A. Uta, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of November, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uta, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Pan American Petroleum Corporation, is the owner and operator of the following-described State leases in Eddy County, New Mexico:

State Lease E-5461	NW/4 NW/4 of Section 2
State Lease B-7244-30	S/2 NW/4, NW/4 SW/4, and
	the SE/4 SW/4 of Section 2
State Lease B-8814-12	NE/4 SW/4 of Section 2
State Lease E-7833	SW/4 SE/4 of Section 2

all in Township 18 South, Range 27 East.

(3) That the applicant proposes to commingle the production from the Abo formation adjacent to the Empire-Abo Pool from the above-described leases after separately metering the production from each lease.

-2-

Case No. 1552
Order No. R-1292

(4) That approval of the subject application will not cause waste nor impair correlative rights provided that the production from each lease is separately metered prior to commingling and provided further that adequate testing and measuring equipment is installed.

IT IS THEREFORE ORDERED:

That the applicant, Pan American Petroleum Corporation, be and the same is hereby authorized to commingle the production from the Abo formation adjacent to the Empire-Abo Pool from the following-described separate State leases:

State Lease E-5461	NW/4 NW/4 of Section 2
State Lease E-7244-30	S/2 NW/4, NW/4 SW/4, and the SE/4 SW/4 of Section 2
State Lease E-5814-12	NE/4 SW/4 of Section 2
State Lease E-7833	SW/4 SE/4 of Section 2

all in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

PROVIDED HOWEVER, That the production from each lease shall be separately metered prior to commingling.

PROVIDED FURTHER, That meters shall be checked for accuracy at intervals and in a manner satisfactory to the Commission.

PROVIDED FURTHER, That the applicant shall install adequate testing facilities to permit the testing of all wells located on the above-described leases at least once each month to determine the individual production from each well.

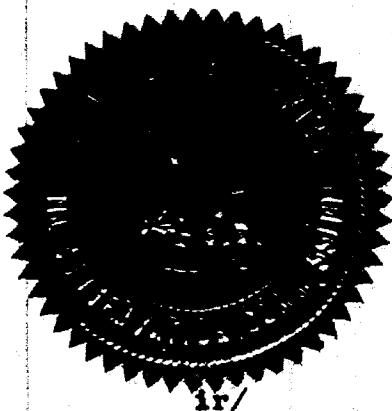
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



ir/

DOMESTIC SERVICE
 Check the class of service desired, otherwise this message will be sent as a fast telegram

TELEGRAM	
DAY LETTER	
NIGHT LETTER	

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE
 Check the class of service desired, otherwise the message will be sent at the full rate

FULL RATE	
LETTER TELEGRAM	
SHORE SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
	COLLECT			8:40 a.m.

Send the following message, subject to the term: on back hereof, which are hereby agreed to

MR. C. L. KELLEY
 PAN AMERICAN PETR. CORP.
 ROSWELL, NEW MEXICO

NOVEMBER 28, 1958

ORDER R-1292 IN CASE 1552 AND ORDER R-1295 IN CASE 1551 SIGNED
 NOVEMBER 26th APPROVING YOUR APPLICATIONS.

OIL CONSERVATION COMMISSION

Memo

From
 Elvis A. Utz
 Gas Engineer

To Bobby Cases 1551
 1552

When these orders are
 signed please send

C. L. Kelly

Box 2090

Roswell, N.M.

a collect invoice and
 by the appropriate

[Signature]

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 11-20-55

CASE NO. 1552

HEARING DATE 11-19-55

My recommendations for an order in the above numbered case(s) are as follows:

1. Grant the application to commingle production from the Abo formation in an area adjacent to the Empire Abo Pool.
2. List lease (4) which can be comm. (state)
3. Each lease must be metered before comm. into common tank battery.

Guest. WJ

Staff Member

2.57

Case 1552

PAN AMERICAN PETROLEUM CORPORATION

Roswell, New Mexico
October 20, 1958

File: F-675-986.510.1

Subject: Commingling of Production
Empire Abo Field
Eddy County, New Mexico

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Pan American Petroleum Corporation respectfully requests a hearing for the purpose of obtaining an order approving the commingling of production obtained from wells completed in the Abo formation on various leases adjacent to the area now designated Empire Abo Pool. Four State leases are involved. These leases are located in Section 2, T-18-S, R-27-E, Eddy County, New Mexico, and are described below:

State Leases

E-5461

NW/4 NW/4 Section 2

B-7244-30

S/2 NW/4
NW/4 SW/4
SE/4 SW/4 Section 2

B-8814-12

NE/4 SW/4 Section 2

E-7833

SW/4 SE/4 Section 2

*Docket Mailed
11-8-58 BR*

In the arrangement we propose to use, the production from each individual lease will be separately metered before it is run into storage with production from other leases. The meters will be located at centralized storage facilities and are of proven accuracy. They will be periodically calibrated and tested to insure that this accuracy is maintained and production from all wells will be checked by actual storage measurements

Page 2
October 20, 1958
New Mexico Oil Conservation Commission

each day. These measurements will be compared with the individual meter readings as an additional confirmation of meter accuracy.

We are also filing, by separate correspondence, an application to commingle production from Federal leases in this same area. It is requested that both cases be placed on the same docket and called at the earliest possible hearing. A plat of the area is attached.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


C. L. Kelley
District Superintendent

Attachment

STATE LAND OFFICE

Santa Fe, New Mexico



Oil and Gas Division

MURRAY E. MORGAN
COMMISSIONER OF PUBLIC LANDS

October 16, 1958

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DISTRICT OFFICE	

Pan American Petroleum Corporation
Roswell, New Mexico

Attention: Mr. C.L. Kelley

Dear Mr. Kelley:

It will be satisfactory with this office for your company to commingle the production from any State of New Mexico Oil and gas lease covering any part of Section 2, Township 18 South, Range 27 East, with any other oil production from leases covering acreage in the same section, provided production from each individual lease is separately metered before running into storage tanks with production from other leases. However, we are not allowed to give you permission to commingle the oil production from this section with any other acreage belonging to any other institute.

Very truly yours,

MURRAY E. MORGAN
Commissioner of Public Lands

By: *Ted Bilberry*
Ted Bilberry
Supervisor Oil and Gas Division

TB/yds

DOCKET: EXAMINER HEARING NOVEMBER 19, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1337: Application of Gulf Oil Corporation for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order amending Order R-1093 and Order R-1093-A to authorize it to commingle the production from the Montoya formation with the production from the Ellenburger, Fusselman, and McKee formations on its Learcy Mc-Buffington Lease consisting of the S/2 of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1548: Application of Shell Oil Company for an automatic custody transfer system and for permission to commingle the production from four separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system and to commingle the production from the Vacuum Pool on four State Leases located in Sections 29, 30, and 31, Township 17 South, Range 35 East, Lea County, New Mexico.
- CASE 1549: Application of Tidewater Oil Company for two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit, in both the Tubb Gas Pool and the Blinbry Gas Pool, each to comprise the S/2 SE/4 and SE/4 SW/4 of Section 36, Township 21 South, Range 37 East, Lea County, New Mexico, and to be dedicated to applicant's State "Q" Well No. 1, located in the SE/4 SW/4 of said Section 36, which well is dually completed in the aforesaid pools.
- CASE 1550: Application of Tidewater Oil Company to commingle the production from several separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Ellenburger, McKee, Fusselman, Montoya and any other pool or pools encountered which produces oil of similar qualities on its Coates "C" Lease comprising the E/2 and SE/4 NW/4 and NE/4 SW/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant further requests permission to commingle production from the Drinkard formation on said lease with any other pool or pools encountered which produce sour crudes. Applicant proposes to separately meter production from each pool prior to being commingled. Applicant further seeks permission to produce more than sixteen wells into said common facilities.
- CASE 1551: Application of Pan American Petroleum Corporation for permission to commingle the production from three separate leases and for permission to produce more than sixteen wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Empire-Abo Pool from the three separate Federal leases hereinafter described:

LC-065478-B N/2 NW/4, NE/4, N/2 SE/4, and E/2 SW/4
Section 3; E/2 Section 10

NM-025604 S/2 SE/4 Section 3; W/2 Section 10

LC-067858 N/2 and SW/4 Section 11

all in Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant further requests authority to produce more than sixteen wells into the common tank battery for said leases. Applicant proposes to separately meter production from each of the above-described leases prior to being commingled.

CASE 1552:

Application of Pan American Petroleum Corporation for permission to commingle the production from four separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Abo formation adjacent to the Empire-Abo Pool from the four separate State leases hereinafter described:

E-5461 NW/4 NW/4 Section 2

B-7244-30 S/2 NW/4, NW/4 SW/4, and SE/4 SW/4 Section 2

B-8814-12 NE/4 SW/4 Section 2

E-7833 SW/4 SE/4 Section 2

all in Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant proposes to separately meter the production from each of said leases prior to being commingled.

CASE 1553:

Application of The Texas Company for a dual completion and for permission to commingle the liquids produced from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Peery-Federal (NCT-1) Well No. 1 located 1980 feet from the North and East lines of Section 29, Township 15 South, Range 30 East, Chaves County, New Mexico, in such a manner as to permit the production of oil from an undesignated Devonian oil pool and gas from an undesignated Ellenburger Gas Pool through parallel strings of tubing. Applicant further requests permission to commingle the liquids and low pressure gas produced from the Devonian and Ellenburger formations from all existing and future wells on its Peery-Federal Lease which comprises all of said Section 29.

CASE 1554:

Application of The Texas Company for an automatic custody transfer system and for permission to commingle the production from five separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system and to commingle the production from the Bisti-Lower Gallup Oil Pool on five Navajo Allottee Leases located in Sections 14, 15, and 23, Township 25 North, Range 11 West, San Juan County, New Mexico. Applicant proposes to separately meter the production from each lease prior to being commingled.

CASE 1555:

Application of H. K. Riddle for two non-standard oil proration units and two unorthodox oil well locations. Applicant, in the above-styled cause, seeks an order establishing a 61-acre non-standard oil proration unit consisting of Lots 1, 2, 3, and 4 of Section 18, said unit to be dedicated to a well to be drilled on an unorthodox location 1980 feet from the South line and 252 feet from the West line of said Section 18; applicant further seeks

the establishment of a 63-acre non-standard oil proration unit consisting of Lots 1, 2, 3, and 4 of Section 19, said unit to be dedicated to a well to be drilled on an unorthodox location 660 feet from the North line and 256 feet from the West line of said Section 19, all in the Bisti-Lower Gallup Oil Pool, Township 26 North, Range 13 West, San Juan County, New Mexico.

CASE 1556:

Application of Chaco Oil Company for an exception to Rule 104 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing it to drill four additional oil wells in the Red Mountain-Mesaverde Oil Pool in the SW/4 SE/4 of Section 20 and the NW/4 NE/4 of Section 29, Township 20 North, Range 9 West, McKinley County, New Mexico.

CASE 1557:

Application of Cities Service Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its State "P" No. 3 Well located 990 feet from the South and West lines of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Blinbry Oil Pool and from an undesignated Glorieta oil pool through parallel strings of tubing.

STATE LAND OFFICE

Santa Fe, New Mexico



MURRAY E. MORGAN
COMMISSIONER OF PUBLIC LANDS

Oil and Gas Division

October 16, 1958

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ROSWELL DISTRICT OFFICE	

Pan American Petroleum Corporation
Roswell, New Mexico

Attention: Mr. C.L. Kelley

Dear Mr. Kelley:

It will be satisfactory with this office for your company to commingle the production from any State of New Mexico Oil and gas lease covering any part of Section 2, Township 13 South, Range 27 East, with any other oil production from leases covering acreage in the same section, provided production from each individual lease is separately metered before running into storage tanks with production from other leases. However, we are not allowed to give you permission to commingle the oil production from this section with any other acreage belonging to any other institute.

Very truly yours,

MURRAY E. MORGAN
Commissioner of Public Lands

By:

Ted Pilberry
Supervisor Oil and Gas Division

TB/yds

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
Pan Am	EXHIBIT NO. 3
CASE NO. 1552	