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PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68 Hobbs, New Mexico MAIN OFFICE OCC

January 16, 1962

1982 JAN 18 AM 8:38

File: VES-31-400 x 986.510.1

Subject: Application to Commingle

Oil Production - State "Children Lease, Lea County, New York

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 production from the following well and pools:

State "CK" No. 1 located in Unit N, Section 19, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dually completed in the Drinkard (oil) and Paddock (oil) pools. Application for dual completion submitted through administrative channels January 12, 1962.

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 each common source will be measured separately utilizing A. O. Smith T-6 temperature compensated meters. The BS&W content will be periodically determined by centrifugal testing procedures. At present, both the Paddock and Drinkard are producing water free.
- 2. The A. O. Smith T-6 meters will be proved monthly in the existing 500 bbl. stock tanks.
- 3. Detailed data of liquid hydrocarbons:

Pools	Gravity (°API)	Value/Bbl. Based On Last 12 Months	Estimated Annual <u>Production</u>
A. Paddock (oil) B. Drinkard (oil) C. Commingled	37.9 38.4	2.89 2.86	17,520 23,360
Production	38.2	2.89	40,880

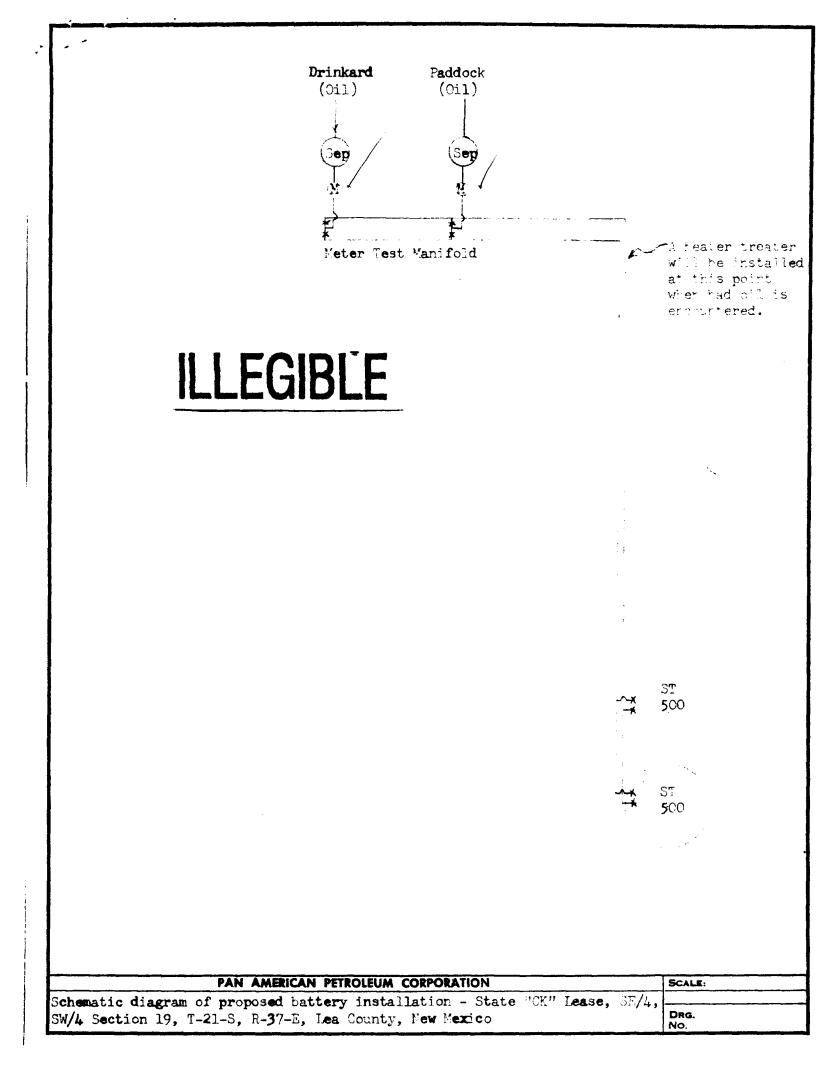
The commercial value of the commingled production will be more than the sum of the production from each common source of supply by approximately \$526 per year.

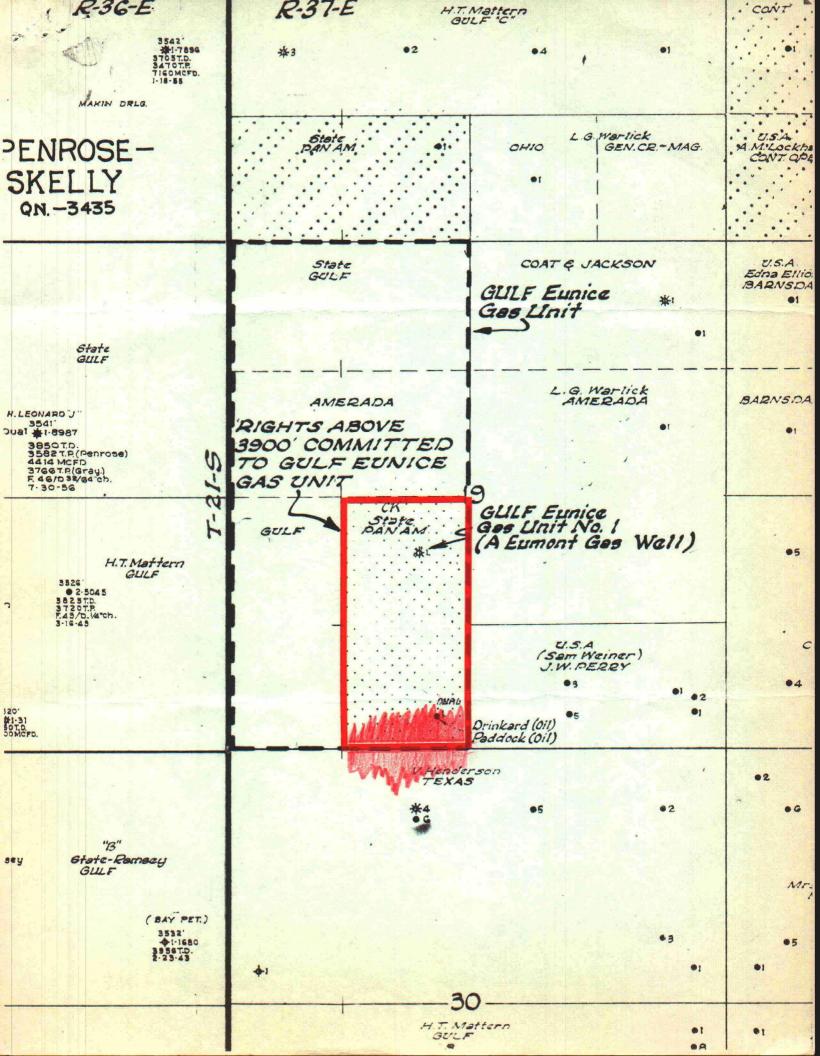
- 4. Schematic diagram of proposed installation is attached. Tank battery facility to be located in SE/4 SW/4 Section 19, T-21-S, R-37-E, Lea County, New Mexico.
- 5. Plat showing the location of all wells on the State "CK" Lease and the pools from which each well is producing is attached.

Yours very truly,

V. E. Staley Area Superintendent

Attachments





ILLEGIBLE



Commissioner of Public Lands

E. L. JOHNNY WALKER COMMONIONER



February 15, 1962

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

Attention: Mr. V. E. Staley

Re: File No. VES-63-541.113 x 400 Commingling of Oil production State "CK" Lease, Les County, New Maxico.

Dear Mr. Staley:

We have no objection to your proposed commingling of the production, from your State "CK" # 1, located in Unit "N", of Section 19, T. 21 S., R. 37 E.

We bould offer no particular objection to any commingling proposal, provided, that the production does not belong to separate institutions and, insolong as the commingled product does not lessen the price or the State's royalty. However, we do appreciate the fact that you have requested permission.

We feel that it is very important that we are notified so that we may check to determine the owners of the acreage.

Yours very truly,

E. S. JOEDNY WALKER Commissioner of Public Lands

By: C

Ted Bilberry, Supervisor Oil and Gas Division