

PAN AMERICAN PETROLEUM CORPORATION

Post Office Box 68
Hobbs, New Mexico

February 25, 1963

1963 FEB 27 AM 8 15

File: VES-118-400 x 986.510.1

Subject: Application to Commingle
Oil Production -
State "CK" 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 Sir:

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

State "CK" No. 1 located Unit N, Section 19, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dual completed in the Drinkard (oil) and Paddock (oil) Pools.

State "CK" No. 2 located Unit K, Section 19, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is triple completed in the Drinkard (oil), Blinebry (oil) and Paddock (oil) Pools.

State "CK" No. 3 located Unit N, Section 19, T-21-S, R-37-E, NMPM, Lea County, New Mexico. This well is dual completed in the Blinebry (oil) and Penrose Skelly (oil) Pools. Application for dual completion submitted through administrative channels February 8, 1963.

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. Oil production from the Paddock, Blinebry and Drinkard Pools is presently commingled with the Paddock and Drinkard Pool production and is measured separately utilizing A. O. Smith T-6 temperature compensated meters equipped with samplers. The production from the Blinebry is determined by the subtraction method. Administrative approval for the commingling of Paddock, Blinebry and Drinkard Pools was granted July 31, 1962, Administrative Order PC-73. The oil production from the Penrose Skelly will be measured by an A. O. Smith T-6 temperature compensated meter equipped with a sampler. The oil production from the Blinebry will be determined by the subtraction method.
2. A B. S. & W. reading will be taken every eight days and the production from each zone recorded.
3. Testings of each source of supply will be performed by shutting in all but one well and testing.
4. The A. O. Smith T-6 meters will be proved monthly in the existing 500 bbl. stock tanks.
5. Detailed data of liquid hydrocarbons:

<u>POOLS</u>		<u>GRAVITY</u> (° API)	<u>VALUE/BBL</u> (dollars)	<u>ESTIMATED</u> <u>ANNUAL</u> <u>PRODUCTION</u> (bbls.)
A.	Commingled Paddock (Oil), Drinkard (Oil) and Blinebry (Oil)	38.9	2.91	100,700
B.	Penrose Skelly (Oil)	35.0	2.85	13,140
C.	Commingled Production	38.5	2.91	113,840

The commercial value of the commingled production will be greater than the sum of the production from each common source of supply by approximately \$788 per year.

Page 3 - VES-118-400 x 986.510.1 - Mr. A. L. Porter

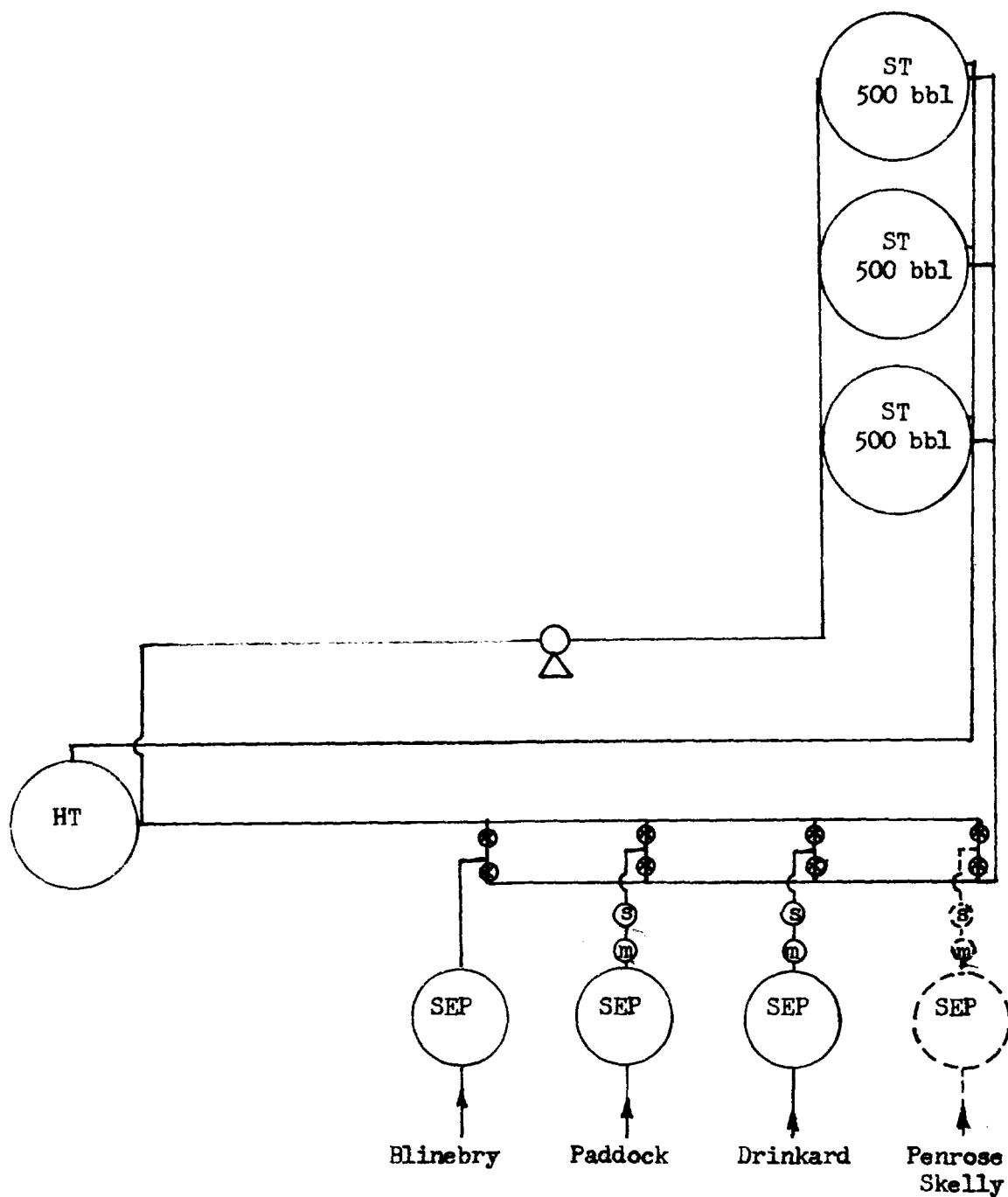
6. Schematic diagram of proposed installion is attached.
Tank battery facility is located in SE/4 SW/4, Section 19,
T-21-S, R-37-E, Lea County, New Mexico.
7. Plat showing the location of all wells on the State "CK"
Lease and the pools from which each well is producing is
attached.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'V. E. Staley', with a horizontal line extending to the left.

V. E. Staley
Area Superintendent

DET/bsh
Attachments



PAN AMERICAN PETROLEUM CORPORATION

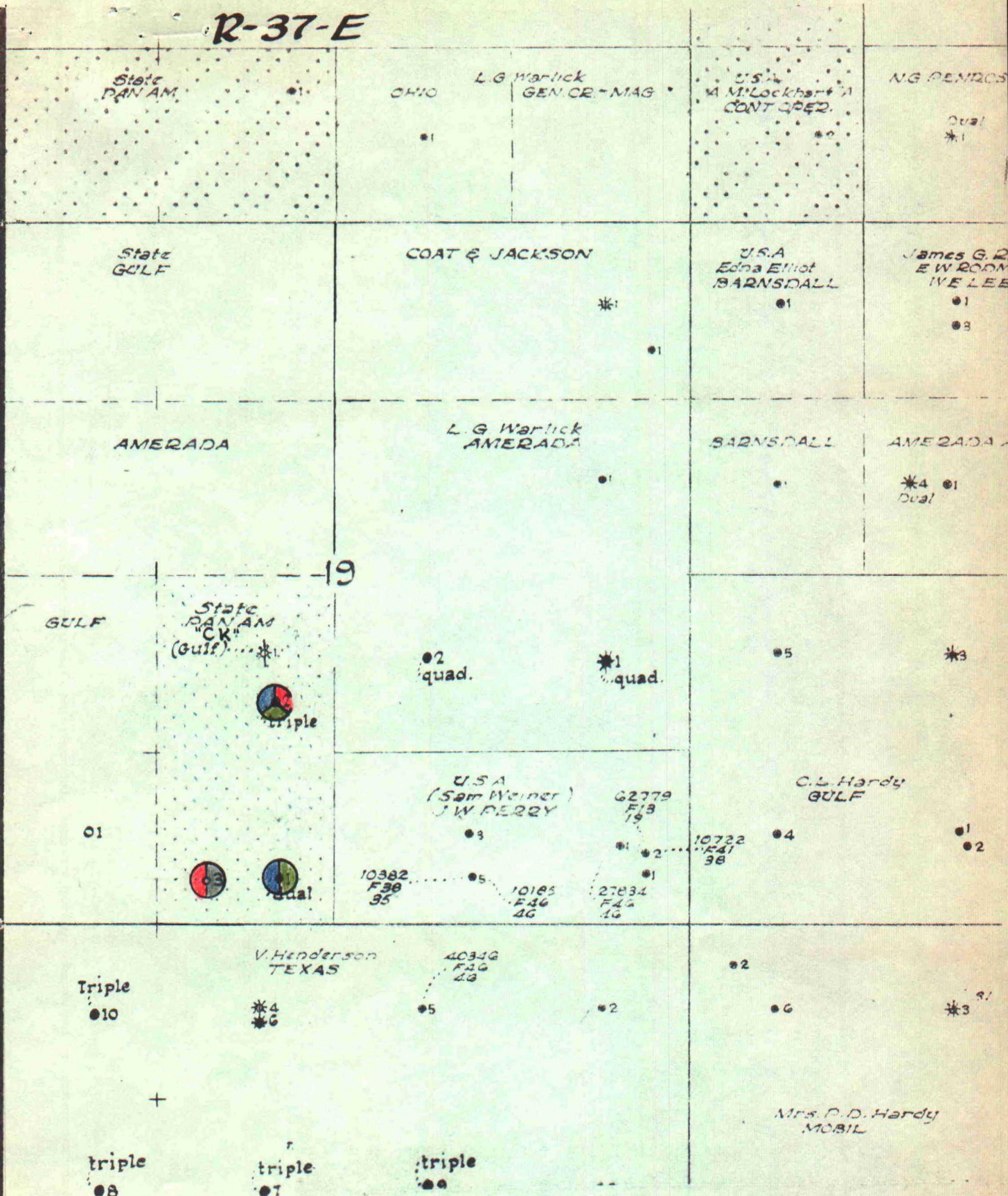
SCALE:

Schematic Diagram of Proposed Installation - State "CK" Lease
SE/4, SW/4, Section 19, T-21-S, R-37-E, Lea County, New Mexico

DRG.
NO.

R-37-E

T
21
S



- LEGEND**
- Blinebry Oil
 - Paddock Oil
 - Drinkard Oil
 - Grayburg Oil
- 30-
H.T. Matter
GULF
'S'

Pan American Petr. Corp.
STATE 'CK' LEASE
Eunice Area
 Lea County, New Mexico
 Scale: 1" = 1000'

PAN AMERICAN PETROLEUM CORPORATION

1059 MAR 5 PM 1:26

Post Office Box 68
Hobbs, New Mexico

March 5, 1963

File: VES-142-400

Subject: Application to Commingle
Oil Production - State
"CK" Lease (#A-4096-6)
Lea County, New Mexico

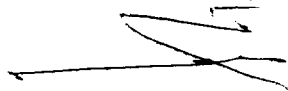
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

This has reference to Pan American Petroleum Corporation's application to commingle oil production from out State "CK" Lease, located in Section 19, T-21-S, R-37-E, Lea County, New Mexico, as submitted in our letter dated February 25, 1963.

Attached is a copy of the approval of the Commissioner of Public Land to commingle the production.

Yours very truly,



V. E. Staley
Area Superintendent

RRY/bgw

Attachment

ILLEGIBLE

State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER
COMMISSIONER

February 28, 1963

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

Attention: V. E. Staley, Area Superintendent

Gentlemen:

You are hereby granted approval to commingle production from your No. 3 Well on State "CK" Lease with previously approved commingled production from Wells Nos. 1 and 2, which was approved by us on May 1, 1962.

Since the acreage is Common ownership, and we have no problem in this respect; further, there appears to be no lessening in the value of commingled production, we have no reason to object to this proposed operation.

Thank you for the information and diagrams in connection with this request.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

By:

ROMULO MARTINEZ
Oil and Gas Department

EW/RM/pr

cc: Oil and Gas Accounting Commission

Oil Conservation Commission