

PAN AMERICAN PETROLEUM CORPORATION

Lubbock, Texas

1961 FEB 7 1961

File: WJS-5111-986.510.1 x 40C

Subject: Exception to Statewide
Rule 303
Various Leases,
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:

Pan American Petroleum Corporation respectfully requests that you schedule for an early docket, a hearing to consider its application for exceptions to State Wide Rule No. 303 to permit commingling of production from separate reservoirs under the following three leases, as more fully discussed below:

1. The Pan American Eva Owen B Lease located in the SW/4 of Section 34, T-21-S, R-37-E, Lea County, New Mexico. There are presently four wells producing at marginal rates from the Drinkard Pool and one well producing at a marginal rate from the Paddock Pool on this lease. It is proposed that this production be commingled in common tankage and that production be allocated to the respective reservoirs on the basis of periodic well tests.
2. The Pan American L. E. Grizzel "B" Lease located in the S/2 of the NE/4 of Section 8, T-22-S, R-37-E, Lea County, New Mexico. There are presently two marginal wells on this lease producing from the Drinkard and Paddock Pools. Pan American proposes that this production be commingled in common tankage and that production be allocated to the respective reservoirs on the basis of periodic well tests.
3. The Pan American J. W. Grizzell Lease, located in the SW/4 of Section 5, T-22-S, R-37-E, Lea County, New Mexico. There are two producing and one shut-in Penrose-Skelley Field wells and one Drinkard Pool well on this lease which produce at marginal rates. Pan American proposes that this production be commingled in common tankage and that production be allocated to the respective reservoirs on the basis of periodic well tests.

Yours very truly,

A. J. Inderrieden
A. J. Inderrieden
District Engineer

Docket mailed 2-17-61
WJS: jn

Case 2203