

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 571
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 9, 1961

Mr. Kirk Newman
Atwood & Malone
Box 867
Roswell, New Mexico

Re: Case No. 2204
Order No. R-1899
Applicant:
Pan American Petroleum Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC ☒
Artesia OCC _____
Aztec OCC _____

OTHER Mr. Guy Buell - Fort Worth, Texas

**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. 2204
Order No. R-1899**

**APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR PERMISSION TO COMMINGLE
THE PRODUCTION FROM TWO SEPARATE POOLS,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 3, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 9th day of March, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, seeks permission to commingle, without separate measurement, the oil production from the Drinkard and Penrose-Skelly Pools from all wells presently completed on the J. W. Grizzell Lease, comprising the SW/4 of Section 5, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That inasmuch as all wells on the subject lease producing from the subject pools are low marginal wells, separate measurement of the production from each pool should not be required.

(4) That approval of the subject application will neither cause waste nor impair correlative rights.

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CASE No. 2204
Order No. R-1899

IT IS THEREFORE ORDERED:

That the applicant, Pan American Petroleum Corporation, is hereby authorized to commingle, without separate measurement, the oil production from the Drinkard and Penrose-Skelly Pools from all wells presently completed on the J. W. Grizzell Lease, comprising the SW/4 of Section 5, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That should any well on the subject lease become capable of producing a top unit allowable from either pool, the applicant shall notify the Commission's Santa Fe Office of such fact and the case shall be reopened.

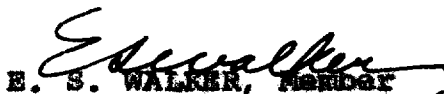
PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells on the said J. W. Grizzell Lease at least once each month to determine the individual production from each well.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



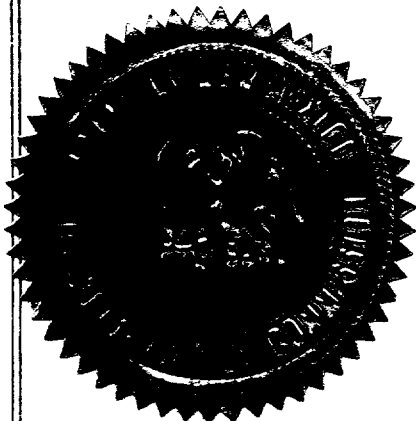
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/