LAW OFFICES OF

### JENNINGS, CHRISTY & COPPLE

JAMES T. JENNINGS SIM B. CHRISTY IX ROGER L. COPPLE BRIAN W. COPPLE IOI2 SECURITY NATIONAL BANK BUILDING
P.O.BOX 1180
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-8432 AREA CODE 505

17: 22 T

August 9, 1971

Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Dan Nutter

RE: SHENANDOAH OIL CORPORATION KEOHANE "A" AND "B" FEDERAL LEASES, SHUGART FIELD, EDDY COUNTY, NEW MEXICO ELNW14, SW14NW14, W15SW14 SECTION 28-185-31E

In connection with the Application for Administrative Approval of Lease Commingling covering the above property which we filed on June 11, 1971, we are now enclosing herewith a copy of a letter from the Texas-New Mexico Pipe Line Company agreeing to running commingled production.

We are also returning herewith your letter of August 4, 1971, which was Administrative Order CTB-226.

JAMES T. JENNINGS

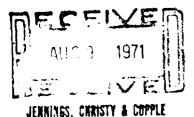
JTJ/mb Encl.

cc: Shenandoah Oil Corporation

JUL 1 3 1971

## TEXAS-NEW MEXICO PIPE LINE COMPANY

P. A. LYONS DIVISION MANAGER P. O. BOX 1510 MIDLAND, TEXAS **7970**1



July 12, 1971

SHENANDOAH OIL CORPORATION'S KECHANE ET AL "A" FEDERAL LEASE AND KECHANE ET AL "B" FEDERAL LEASE, SHUGART FIELD, EDDY COUNTY, NEW MEX.

Shenandoah Oil Corporation 1500 Commerce Building Fort Worth, Texas 76102

Attention: Mr. T. P. Bates

Gentlemen:

Texas-New Mexico Pipe Line Company, as transporter of crude oil from the subject leases, has no objection to running the commingled production.

Since Texas-New Mexico Pipe Line Company is not the purchaser of the crude as pointed out in Mr. James T. Jennings letter of June 29, 1971, copy attached, it may be necessary to obtain approval of the commingling from Atlantic Richfield Company, who is the present purchaser.

Yours very truly,

KJMcGjr-DEW Encl.

cc: Mr. Dwayne Glover
Atlantic Richfield Company
P. O. Box 1610

Midland, Texas 79701

### SHENANDOAH OIL CORPORATION

1500 COMMERCE BUILDING FORT WORTH, TEXAS 76102

B. J. KELLENBERGER
PRESIDENT

August 17, 1971

TELEPHONE 817-332-7381



Re: Shenandoah Oil Corporation
Application for Administrative
Approval of Lease Commingling
Leases LC 029390(a) and NM 055648,
Section 28, T-18S, R-31E,
Eddy County, New Mexico

New Mexico Oil Conservation Commission P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Dan Nutter

Dear Mr. Nutter:

In connection with the Application for Administrative Approval of Lease Commingling covering the above property which was filed on June 11, 1971, we are now enclosing a copy of a letter from Atlantic Richfield Company agreeing to purchase the commingled production.

On August 9, 1971 our attorney, James T. Jennings of Jennings, Christy & Copple submitted the letter from Texas-New Mexico Pipe Line Company, the gatherer on these leases, agreeing to the running of the commingled production. (copy of Jenning's letter enclosed).

Very truly yours,

SHENANDOAH OIL CORPORATION

TP Bates

T. P. Bates, Vice President

TPB:jn Attachment

CC: J. T. Jennings
C. W. Downey

U.S.G.S. - Artesia

AtlanticRichfieldCompany

Supply 6 to a condition 6/200 at Midconferent Ison, Gradia C.4 Sheerly Post Oface Pox 1610 Midland, Tenat 79701 Telaphone 9/5 692-8631

RECEIVED AUG 1 7 1971



August 16, 1971

Mr. T. P. Bates Shenandoah Oil Corporation 1500 Commerce Building Fort Worth, Texas 76102

Re: Shenandoah Oil Corporation Keohane et al "A" Federal and Keohane et al "B" Federal Eddy County, New Mexico

Dear Mr. Bates:

This letter is written with reference to the telephone conversation with your secretary, Ms. Janice Neil, about the captioned leases which are to be commingled into one battery. Being the purchaser of the Keohane et al "A" Federal lease, Atlantic Richfield would like to be the purchaser of both leases after they are commingled. In checking with Texas-New Mexico Pipe Line, we fine there will be no problem for Texas-New Mexico to gather the production. If you will, please take the necessary steps to obtain the changes on the C-104's and send a copy to Texas-New Mexico.

If we may be of future service, please do not hestitate to call.

Yours very truly,

Dwayne Glover Representative,

Crude Purchases

DG:nb

cc: Mr. P. A. Lyons - Texas-New Mexico Pipe Line

### JENNINGS, CHRISTY & COPPLE

1012 SECURITY NATIONAL BANK BUILDING P. O. BOX 1180

ROSWELL, NEW MEXICO 88201

 $\mathfrak{D}$ TELEPHONE 622-8432 AREA CODE 505

03

June 29, 1971

JAMES T. JENNINGS

SIM B. CHRISTY IX

ROGER L. COPPLE

BRIAN W. COPPLE

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Dan Nutter

SHENANDOAH OIL CORPORATION APPLICATION RE: FOR ADMINISTRATIVE APPROVAL OF LEASE COMMINGLING LEASES LC 029390(a) AND NM 055648, SECTION 28, T-18-S, R-31-E

In compliance with Rule 309-B, we are enclosing herewith an Affidavit of Mailing reflecting that a copy of the application in the above matter was sent by certified mail to all of the parties owning an interest in the leases and duly received by the parties. We are also enclosing herewith a letter from the Regional Oil and Gas Supervisor of the U. S. Geological Survey consenting to the commingling.

At one time, part of the land embraced in one of the leases was subject to a production payment in favor of Mercury Oil Company; however, a release of this production payment was obtained from Mercury and recorded in the office of the County Clerk on June 25, 1971.

JTJ/mb

Encl.

cc: Shenandoah Oil Corporation

I don 31 A.M. S

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

IN THE MATTER OF THE APPLICATION OF SHENANDOAH OIL CORPORATION FOR AN EXCEPTION TO RULE NO. 309-A TO PERMIT THE COMMINGLING OF PRODUCTION FROM TWO SEPARATE LEASES INTO A COMMON TANK BATTERY IN THE SHUGART POOL, EDDY COUNTY, NEW MEXICO.

### AFFIDAVIT OF MAILING

STATE OF NEW MEXICO

COUNTY OF CHAVES

James T. Jennings, being first duly sworn upon his oath, says that on or before June 12, 1971, I caused to be deposited in the United States Post Office in Roswell, New Mexico, sealed envelopes with prepaid postage addressed to each of the parties named on Exhibit "C" attached hereto.

Said envelopes contained true copies of the Application for Administrative Approval of Lease Commingling in the above cause and were sent by certified mail. Return Receipts reflecting receipt of the envelopes signed by all of the parties are attached hereto.

SUBSCRIBED AND SWORM TO before me this 29th day of June,

1971.

My Commission Expires:

10-12-72

Melvina Bezanson

OWNERS OF PRODUCTION PAYMENT PAYABLE OUT OF 5% OF PRODUCTION UNDER LEASE LC-029390(a) INSOFAR AS IT COVERS THE STANK, NETANK SECTION 28, TOWNSHIP 18 SOUTH, RANGE 31 EAST, AND LEASE NM-055648 INSOFAR AS IT COVERS THE WTSW; SECTION 28, TOWNSHIP 18 SOUTH, RANGE 31 EAST, ALL IN EDDY COUNTY, NEW MEXICO.

Estate of V. S. Welch

c/o Phoebe Shelton and Glenn Collard, Co-Executors, V. S. Welch Estate Office, P. O. Drawer W, Artesia, New Mexico 88210

B. M. Keohane

P. O. Box 1120, Roswell, New Mexico 88201

Dorothy C. Iverson and Jewell D. Iverson

c/o J. Littleton Daniel
Hurdman and Cranstoun, Penney & Co.,
701 National Bank of Tulsa Building,
Tulsa, Oklahoma 74103

Iverson's, Inc.

c/o Paul D. Iverson, P. O. Box 703, Midland, Texas 79701

Sally Saunders Toles

P. O. Box 1300, Roswell, New Mexico 88301

Elyse Saunders Patterson

6444 Indian Lane, Mission, Kansas 66208

Sue Saunders Graham

P. O. Box 2168, Roswell, New Mexico 88201

Marjorie Iverson

c/o The First National Bank in Fort Worth, Fort Worth, Texas 76102 Attention: R. E. Crawford, Trust Officer

The First National Bank in Fort Worth, Executor of the Estate of S. J. Iverson

Fort Worth, Texas 76102 Attention: R. E. Crawford, Trust Officer LAW OFFICES OF

JENNINGS, CHRISTY & COPPLE

1012 SECURITY NATIONAL BANK BUILDING
P. O. BOX 1180

ROSWELL, NEW MEXICO 88201

June 11, 1971

TELEPHONE 622-8432 AREA CODE 505

OVERRIDING ROYALTY OWNERS AND OWNERS OF PRODUCTION PAYMENT UNDER LEASE LC-029390(a) INSOFAR AS IT COVERS THE Stand, Netanday Section 28, AND LEASE NM-055648 INSOFAR AS IT COVERS THE Washings Section 28, Township 18 South, RANGE 31 EAST.

Shenandoah Oil Corporation, the Operator of the rights down to the depth of 4,000 feet under the above leases insofar as they cover the captioned land, is filing an application with the Oil Conservation Commission seeking the commingling of production from the two leases into a common tank battery located on the W\frac{1}{2}SW\frac{1}{4}Section 28, Township 18 South, Range 31 East. The application is filed pursuant to Oil Conservation Commission Rule 309-B, and a copy of the application is enclosed. The Secretary-Director of the Oil Conservation Commission may approve the application if, after a period of 20 days following receipt of the application, no party has made objection to the application. Sinclair Pipeline Company is currently purchasing production from Lease NM-055648 and will continue to purchase the commingled production.

If you have any questions or need any further information, we will be glad to attempt to furnish it.

The state of the s

JAMES T. JENNINGS

JTJ:pv Enclosure

JAMES T. JENNINGS

SIM B. CHRISTY IV

BRIAN W. COPPLE

cc: Shenandoah Oil Corporation

cc: New Mexico Oil Conservation Commission

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



## United States Department of the Interior

### GEOLOGICAL SURVEY

Drawer 1857 Roswell, New Mexico 88201

June 28, 1971

Shenandoah Oil Corporation c/o Jennings, Christy, and Copple Post Office Box 1180 Roswell, New Mexico 88201

#### Gentlemen:

Your letter of June 11, 1971, requests approval to commingle Queen oil production from leases Las Cruces 029390(a) and New Mexico 055648. The commingling facility will be located in the  $N_2^1SN_2^1$  sec. 28, T. 18 S., R. 31 E., lease New Mexico 055648, Eddy County, New Mexico.

For royalty purposes, production allocated to the leases will be based on periodic well tests. The monthly production for each well and lease, as reported on form 9-329, Lessee's Monthly Report of Operations, will be based on such well tests. The Lessee's Monthly Report of Sales and Royalty, form 9-361, must show all computations used in the calculation of lease sales.

The method of commingling described in your application is hereby approved subject to like approval by the New Mexico Oil Conservation Commission. Please notify the District Engineer, U. S. Geological Survey, Post Office Drawer U, Artesia, New Mexico 88210, when the installation is completed and operative so that it can be inspected.

Sincerely yours,

N. Ø. FREDERICK

Regional Oil and Gas Supervisor

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