

JAMES G. BROWN & ASSOCIATES

PETROLEUM PRODUCERS
FIRST NATIONAL BANK BUILDING
MIDLAND, TEXAS

December 13, 1961

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CTD 116
used

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Re: Application for Exception to Rule 309 (a)
and for Administrative Approval of Lease
Commingle in a Central Tank Battery
under Rule 309 (b) of Production from the
same Common Source of Supply on two
Federal Leases with Identical Ownership,
Pearl-Queen Pool, Lea County, New Mexico

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Gentlemen:

James G. Brown and Associates is the owner and operator of two contiguous
leases in the S/2 of Section 4, Township 20 South, Range 35 East, described
as follows:

"Federal Lease" SE/4 & E/2 of SW/4 of Section 4 (LC-060881)
"Federal A Lease" W/2 of SW/4 of Section 4 (LC-060831 A)

There are six completed wells on the Federal Lease, one completed and one
in process of completion on the Federal A Lease - all completions are from
Queen Sands in the Pearl-Queen Pool. Our application to the United States
Geological Survey for off-lease storage of the production from LC-060881 A
dated November 1, 1961 was approved by the United States Geological Survey
November 15, 1961; temporary approval by the Hobbs office of the New Mexico
Oil Conservation Commission was given November 17, 1961, pending approval
of this application. A plat is attached showing the two leases, location
of wells, flow lines and tank battery.

We now request administrative approval of a central tank battery to permit
commingling of the production from these two Federal Leases under Rule
309 (b). The United States Geological Survey has approved this proposal as
of December 8, 1961, and copies of our application, plat, diagram of tank
battery and the letter of approval from the Roswell office of the United
States Geological Survey are attached. The United States Geological Survey
approval requires metering of the oil production from the two wells on
LC-060881 A before commingling in the tank battery.

Oil Conservation Commission
December 13, 1961

Page No. 2

Further requirements of Rule 309 (b) are, or will be fulfilled as follows:

1. All production is from the same common source of supply, i.e. Queen sands of the Pearl-Queen Pool.
2. Adequate facilities will be provided for accurately determining the production from each well. As shown by the schematic diagram, the production of the six wells on the Federal Lease is handled by a 6' x 20' emulsion treater and wells can be individually tested direct to the north tank, by-passing the treater. Production of the two wells on the Federal "A" Lease will be continuously metered through a 4' x 22' emulsion treater equipped with a Brodie Bi-Rotor 3-40 D meter on the oil outlet line.
- ✓ 3. Shell Oil Company is the purchaser of the oil from these leases and a copy of a letter from Shell agreeing to purchase commingled production is attached. Also attached are "Waiver of Objection" letters signed by the offset operators: Southern Union Producing Company, C. W. Traiger and John H. Trigg.
4. Not applicable.
- ✓ 5. (a) The ownership of both leases is common throughout, including working interest, royalty and overriding royalty, and therefore it appears that Rule 309 (b) would allow commingling of this production without metering; however the United States Geological Survey requires that the production from one lease be metered.

We trust this is sufficient information for you to give favorable consideration to a central tank battery for these two leases.

Respectfully submitted,

JAMES G. BROWN & ASSOCIATES



J. A. Warren
Production Superintendent

JAW:dh

Attachment

SOUTHERN UNION GAS CO.

LC - 065649

JOHN H. TRIGGS

NM - 04786

JAMES G. BROWN & ASSOCIATES

LC - 066147

C.W. TRAINER

Lone

Federal "A"
LC - 060881A

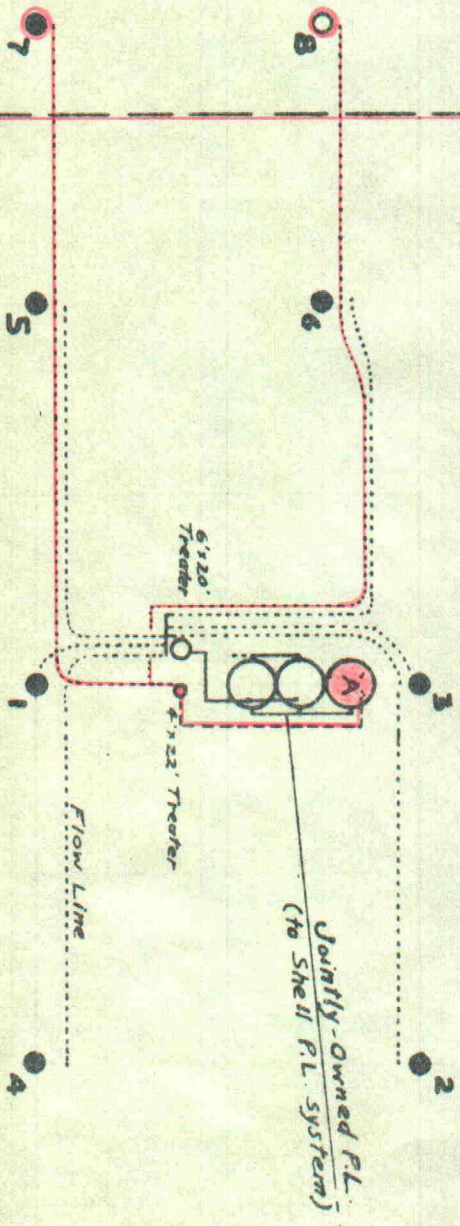
Federal
LC - 060881

SOUTHERN UNION GAS CO.

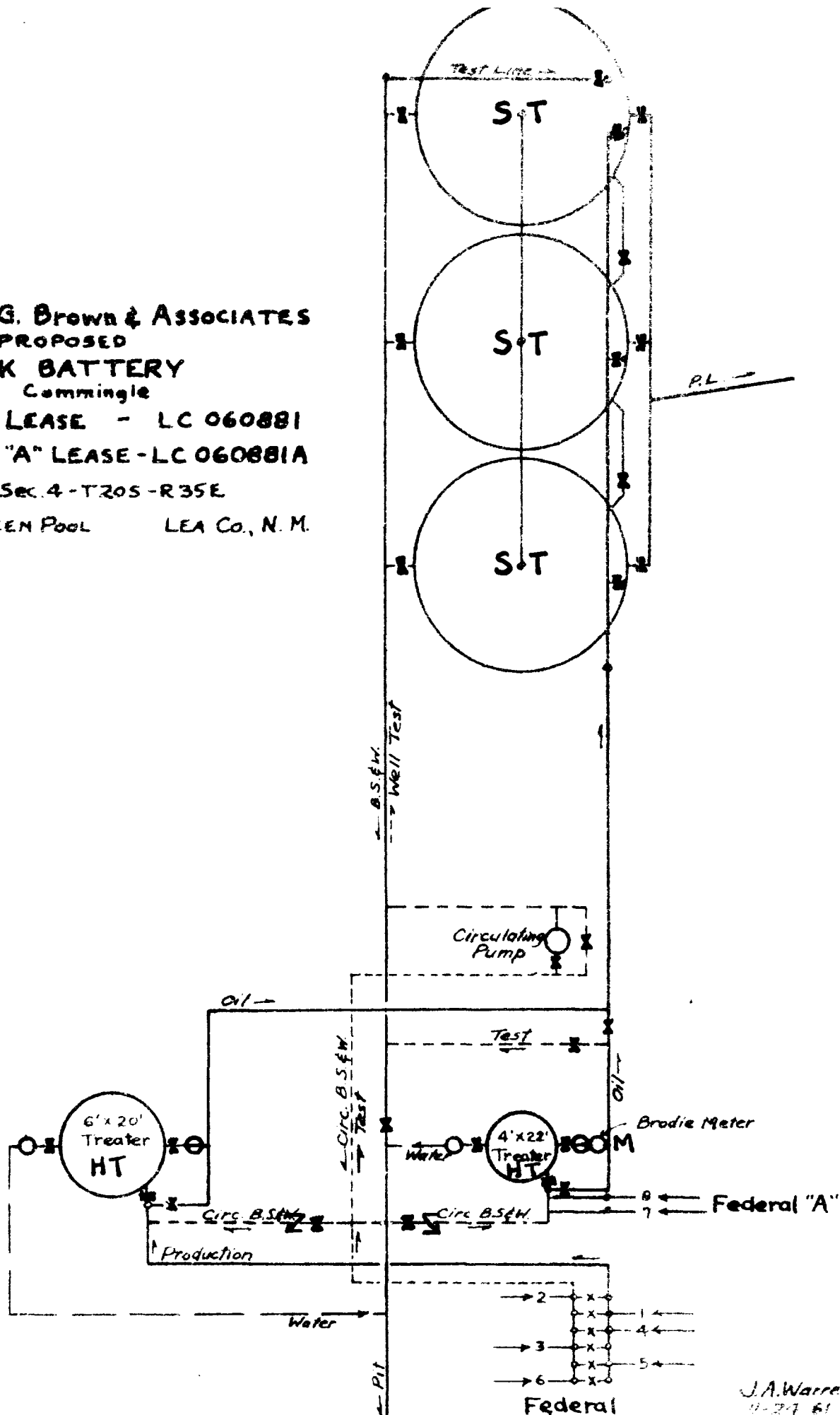
LC - 065649

T 205 - R 35E
Lea County, N.M.

LC - 065649



James G. Brown & Associates
PROPOSED
TANK BATTERY
 To Commingle
FEDERAL LEASE - LC 060881
FEDERAL "A" LEASE - LC 060881A
 S/2 Sec. 4 - T20S - R35E
 PEARL-QUEEN POOL LEA Co., N. M.



J.A. Warren
 4-27-61

Drawer 1857
Roswell, New Mexico

December 8, 1961

James O. Brown & Associates
First National Bank Building
Midland, Texas

NOTED

DEC 11 1961

STANDLEY

Gentlemen:

Your letter of November 22, 1961, requested our approval for commingling the production from Federal oil and gas leases Las Cruces 060881 and 060881-A at your tank battery in the NW 1/4 of sec. 4, T. 20 S., R. 35 E. The production on each lease is from the Pearl Queen Pool and both leases have the same Federal royalty rate, lessee and operator.

The method to measure individual lease production as proposed by the diagrams attached to your letter is acceptable to this office. Approval to commingle production from leases Las Cruces 060881 and 060881-A is hereby given.

Very truly yours,

(Orig. Sgd) JOHN A. ANDERSON

John A. Anderson
Regional Oil and Gas Supervisor

cc: Hobbs

EWStandley:wok
11/27/61

COPY

JAMES G. BROWN & ASSOCIATES

PETROLEUM PRODUCERS
FIRST NATIONAL BANK BUILDING
MIDLAND, TEXAS

November 22, 1961

U. S. Geological Survey
P. O. Box 1838
Hobbs, New Mexico

Attention: Mr. Eugene W. Standley
District Engineer

RE: Application for Central Tank Battery
to Commingle Oil Produced from
LC-060881 and LC-060881 A,
Pearl Queen Pool, Lea County,
New Mexico

Gentlemen:

Our proposal for off-lease storage of oil produced from LC-060881 A, dated November 1, 1961, and approved by your letter of November 15, 1961, has been accomplished by the completion of Federal "A" Well No. 7 on November 17, 1961. A second treater and a third 500 barrel tank have been set in the NW/4 of the SE/4 of Section 4-T20S-R35E to separately handle the production from the recently-completed Well No. 7. The NMOCC has approved this arrangement temporarily, pending the outcome of our further application to the Commission.

As mentioned in our letter of November 1, we now request permission to consolidate the three tanks in the NW/4 SE/4 of Section 4 into one tank battery and thereby commingle the production from LC-060881 and LC-060881 A. Production from the six wells on LC-060881 will be handled by a newly-installed 6' x 20' emulsion treater with adequate facilities to test wells individually; the production from Well No. 7 and the presently drilling Well No. 8 on LC-060881 A will be handled by a 4' x 22' emulsion treater, equipped with a Brodie Bi-Rotor B-40 D Meter on the oil dump line and with adequate facilities to produce to a separate tank for calibration of the meter.



SHELL OIL COMPANY

PETROLEUM BUILDING

P. O. BOX 1509

MIDLAND, TEXAS

November 21, 1961

Subject: James G. Brown & Associates
Federal "A" Lease Well #7
W/2 SW/4 Sec. 4-20S-35E
Pearl Queen Pool
Lea County, New Mexico

James G. Brown & Associates
P. O. Box 1625
Midland, Texas

Attention Mr. James A. Warren

Gentlemen:

Confirming telephone conversation this date, Shell is agreeable to purchasing the allowable production from subject Federal "A" Lease stored in tankage separate, but adjacent, to your Federal Lease storage.

It is our understanding this arrangement will continue until such time as you have obtained from the New Mexico Oil Conservation Commission exception to Rule 309-B permitting the commingling of production from your Federal and Federal "A" Leases.

Shell will remit to Gulf on 100% division order, including taxes, on the basis of Column 1 in our Crude Oil Price Bulletin 26 dated January 1, 1961 and subsequent revisions thereto.

Yours very truly,

C. A. Nyhof
Crude Oil Department - Midland

LBB:JG

cc - Gulf Oil Corporation (2)
P. O. Box 2097
Denver, Colorado
Attention Mr. D. L. Williams

JAMES G. BROWN & ASSOCIATES

PETROLEUM PRODUCERS
FIRST NATIONAL BANK BUILDING
MIDLAND, TEXAS

November 22, 1961

Production
Southern Union ~~Gas~~ Company
Production Department
Fidelity Union Tower
Dallas, Texas

RE: Waiver of Objection to Commingling
of Production from Federal Lease
LC-060881 and Federal "A" Lease
LC-060881 A
S/2 Sec. 4-T20S-R35E
Pearl Queen Pool
Lea County, New Mexico

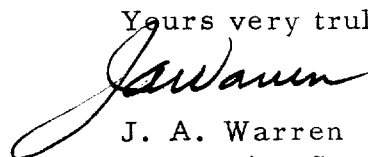
Gentlemen:

James G. Brown & Associates is the operator of both the above-referenced leases which are producing from the Queen sands in the Pearl-Queen Pool. We are making application to the U.S.G.S. and the NMOCC for establishment of a central tank battery to commingle the production from the two leases after metering the production from the Federal "A" Lease.

A plat is attached showing the location of wells and tank battery. Federal "A" Well No. 7 is presently producing into a separate tank on the Federal Lease with permission for off-lease storage granted by the U.S.G.S. and the NMOCC.

If you have no objection to the commingling of production from these two leases, please sign and return the original of this letter to this office.

Yours very truly,

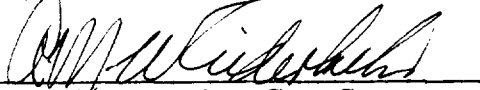


J. A. Warren
Production Superintendent

JAW:cjr
Enclosure

WAIVER OF OBJECTION:

By



Southern Union ~~Gas~~ Company
Production
Vice-President

OKH
WJ

JAMES G. BROWN & ASSOCIATES

PETROLEUM PRODUCERS
FIRST NATIONAL BANK BUILDING
MIDLAND, TEXAS

November 22, 1961

Mr. C. W. Trainer
Box 2222
Hobbs, New Mexico

RE: Waiver of Objection to Commingling
of Production from Federal Lease
LC-060881 and Federal "A" Lease
LC-060881 A
S/2 Sec.4-T20S-R35E, Pearl Queen Pool
Lea County, New Mexico

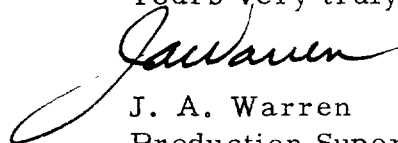
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Yours very truly,



J. A. Warren
Production Superintendent

JAW:cjr
Enclosure

WAIVER OF OBJECTION:

By 
C. W. Trainer

JAMES G. BROWN & ASSOCIATES

PETROLEUM PRODUCERS
FIRST NATIONAL BANK BUILDING
MIDLAND, TEXAS

November 22, 1961

Mr. John H. Trigg
Maljamar, New Mexico

RE: Waiver of Objection to Commingling
of Production from Federal Lease
LC-060881 and Federal "A" Lease
LC-060881 A
S/2 Sec.4-T20S-R35E, Pearl Queen Pool
Lea County, New Mexico

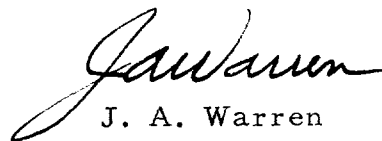
Dear Mr. Trigg:

James G. Brown & Associates is the operator of both the above-referenced leases which are producing from the Queen sands in the Pearl-Queen Pool. We are making application to the U.S.G.S. and the N.M.O.C.C. for establishment of a central tank battery to commingle the production from the two leases after metering the production from the Federal "A" Lease.

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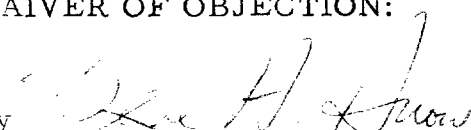
Yours very truly,



J. A. Warren
Production Superintendent

JAW:cjr
Enclosure

WAIVER OF OBJECTION:

By 
John H. Trigg