

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 7, 1960

Mr. Randall F. Montgomery  
211 West Berry  
Hobbs, New Mexico

Dear Randall:

Reference is made to the commingling application filed by you on behalf of James G. Brown & Associates.

Unfortunately the request is not eligible for administrative approval, since the two 40-acre tracts are not contiguous under the definition of this term as set out in the Oil Conservation Commission Rules and Regulations. The Commission definition of contiguous is as follows, "Contiguous shall mean acreage joined by more than one common point, that is, the common boundary must be at least one side of a governmental quarter-quarter section."

Thus the conditions required to be eligible for administrative approval under Rule 309(b) are not met.

If you wish to have this matter set for hearing, please advise me accordingly.

Very truly yours,

OLIVER E. PAYNE  
General Counsel

OEP/esr

cc: Mr. Joe Ramey  
Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

# LION OIL COMPANY

A DIVISION OF MONSANTO CHEMICAL COMPANY



PRODUCTION & EXPLORATION  
SOUTHWESTERN REGION

602 W. MISSOURI ST.  
MIDLAND, TEXAS

October 6, 1960

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

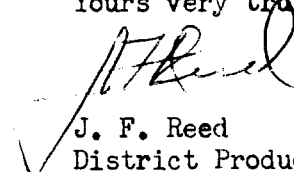
Attention Mr. A. L. Porter, Jr.  
Secretary and Director

Dear Sir:

Please be advised that Lion Oil Company, A Division of Monsanto Chemical Company, has been informed of a request for permission to commingle crude production from James G. Brown and Associates on their property, located in Section 9, Township 14S, Range 33E, Lea County, New Mexico.

This is to advise that Lion Oil Company, A Division of Monsanto Chemical Company, an offset operator, offers no objection to this application and request that the Secretary and Director look upon this application favorably.

Yours very truly,

  
J. F. Reed  
District Production Supt.

JFR/sjt

cc: R. I. Williams

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

Mr. R. F. Montgomery  
P. O. Box 2414  
Hobbs, New Mexico

# COSDEN PETROLEUM CORPORATION

*Producers  
and Refiners*



*Petroleum  
Products*

E. K. DODSON  
VICE PRESIDENT

BIG SPRING, TEXAS

October 5, 1960

ADDRESS REPLY TO:  
P. O. BOX 985  
MIDLAND, TEXAS

Mr. R. F. Montgomery  
P. O. Box 2414  
Hobbs, New Mexico

RE: Northwest Saunders Area  
Lea County, New Mexico

Dear Mr. Montgomery:

I understand that you are preparing, on behalf of James G. Brown & Associates, an application to the New Mexico Conservation Commission to permit co-mingling of the crude oil produced from James G. Brown & Associates Lion State #1 and Lion State #2 wells.

This letter is to advise you that Cosden Petroleum Corporation, as non-operator owner of a portion of the working interest under the above-designated wells, concurs in the desire of the operator to co-mingle this production.

Very truly yours,

E. K. Dodson

EKD/mb

# State of New Mexico



## Commissioner of Public Lands

MURRAY E. MORGAN  
COMMISSIONER



P.O. BOX 791  
SANTA FE, NEW MEXICO

October 7, 1960

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

Gentlemen:

Permission has been requested to commingle production  
from:

<u>Acreage</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rge.</u>	<u>Lease No.</u>
SE $\frac{1}{4}$ SE $\frac{1}{4}$	9	14S	33E	E-7353

with production from:

NW $\frac{1}{4}$ SE $\frac{1}{4}$	9	14S	33E	E-8334
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Since it is our understanding that the production comes  
from one reservoir, and all the lands described in the  
request are owned by the Common Schools, permission is  
hereby granted.

Yours very truly,

MURRAY E. MORGAN  
COMMISSIONER OF PUBLIC LANDS

By:

Ted Bilberry  
Oil & Gas Supervisor

TB:oc

cc: Mr. Randy Montgomery  
P. O. Box 2414  
Hobbs, New Mexico

JAMES G. BROWN & ASSOCIATES  
P. O. Box 1625  
Midland, Texas

October 6, 1960

REQUEST FOR PERMISSION TO COMMINGLE  
CRUDE PRODUCTION

James G. Brown & Associates  
Lion State No. 1  
Lion State No. 2  
Saunders-Permo Pennsylvanian Pool  
Lea County, New Mexico

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

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

Dear Sir:

James G. Brown & Associates desires to commingle the crude production from our Lion State No. 1 well located 1980 feet from the south and east lines and our Lion State No. 2 well located 660 feet from the south and east lines of Section 9, T-14-S, R-33-E, in common storage facilities located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of this section.

The Lion State No. 1 well is located on State Oil and Gas Lease Number E-8334 and the Lion State No. 2 well is located on State Oil and Gas Lease Number E-7353. In so far as the interest owned by James G. Brown & Associates is concerned only the NW $\frac{1}{4}$ SE $\frac{1}{4}$  and SE $\frac{1}{4}$ SE $\frac{1}{4}$ , Section 9, T-14-S, R-33-E has been earned and therefore is the only portion of the two leases that permission to commingle is requested.

1. The two forty acre tracts have a common corner and would be considered contiguous based on a decision of Chief Council.
2. All production is from the same common source of supply.
3. Only two wells will be produced into a common tank battery and adequate facilities will be provided for accurately determining production from each well at reasonable intervals.
4. The working and royalty interests are common.

There is presently one well with an assigned oil allowable, being the Lion State No. 1, and presently we are testing the Lion State No. 2 well into a test tank for the purpose of establishing an allowable.

*Booker  
Filed  
10-19-60*

James G. Brown & Associates hereby makes application for administrative approval of the proposed commingling operations as stated and in accordance with Rule 309 (b).

Tentative verbal consent has been obtained from the common royalty owner, the working interest owners, and also from the offset operators, all of which are listed below and have been forwarded this date a copy of this application by registered mail.

Upon obtaining tentative verbal approval from each interested party the undersigned requested that permission in writing be forwarded directly to the Director of the New Mexico Oil Conservation Commission in order that approval be granted at the earliest practicable date.

Very truly yours,

  
RANDALL F. MONTGOMERY,  
Agent

James G. Brown & Associates

RFM/mm

cc: Cosden Petroleum Corp., V & J Tower, Midland, Texas  
Lion Oil Company, P.O. Drawer 1829, Midland, Texas  
The Atlantic Refining Company, P.O. Box 6640, Roswell, New Mexico  
Texaco, Inc., P.O. Box 1270, Midland, Texas  
Commissioner of Public Lands, Santa Fe, New Mexico  
James G. Brown & Associates, P.O. Box 1625, Midland, Texas