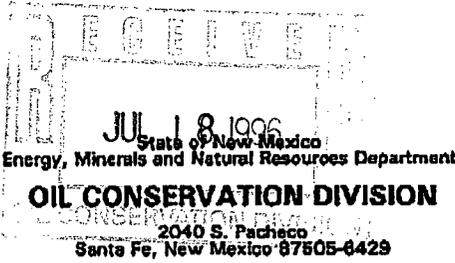


P. 02 8/7/96
1326



DISTRICT I
P.O. Box 1880, Hobbs, NM 88240
DISTRICT II
611 Souan First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

Form C-107-A
New 3-12-96

APPROVAL PROCESS:
 Administrative Hearing

EXISTING WELLBORE
 YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Meridian Oil Inc. Address: P.O. Box 51810 Midland, Texas 79710-1810
Well No.: # 1 Unit Loc.: J, Sec. 23, T22S, R32E County: Lea
OGRID NO.: 26485 Property Code: 013136 API NO.: 30-025-31906 Spacing Unit Lease Type(s): (check 1 or more)
Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	West Red Tank Delaware 51689		Red Tank Bone Springs 51683
2. Top and Bottom of Pay Section (Perforations)	4900'-4916' 8383'-8477'		9034'-9840'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 740 1270 b. (Original) 1775 2550	a. b.	a. 1475 b. 2950
6. Oil Gravity (° API) or Gas BTU Content	42.2287		42.7484
7. Producing or Shut-in?	Producing		Below CIBP
Production Marginal? (yes or no)	Yes		Yes
* If Shut-in, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: 3/24/94 Rates: 93 oil, 110 mcf, 50 water
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 5/3/96 Rates: 39 oil, 63 mcf, 8 water	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 70 % Gas: 50 %	Oil: % Gas: %	Oil: 30 % Gas: 50 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No
11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? Yes No
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No
15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S): _____
16. ATTACHMENTS:
 • C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 • Production curve for each zone for at least one year. (If not available, attach explanation.)
 • For zones with no production history, estimated production rates and supporting data.
 • Data to support allocation method or formula.
 • Notification list of all offset operators.
 • Notification list of working, overriding, and royalty interests for uncommon interest cases.
 • Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Donna Williams TITLE Regulatory DATE 7/10/96

TYPE OR PRINT NAME Donna Williams TELEPHONE NO. (915) 688-6943

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-31906		² Pool Code 51689		³ Pool Name West Red Tank Delaware	
⁴ Property Code 13136		⁵ Property Name Checkerboard '23' Federal			⁶ Well Number No. 1
⁷ OGRID No. 26485		⁸ Operator Name Meridian Oil Inc.			⁹ Elevation 3721'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
	23	22S	32E		1980'	South	1980'	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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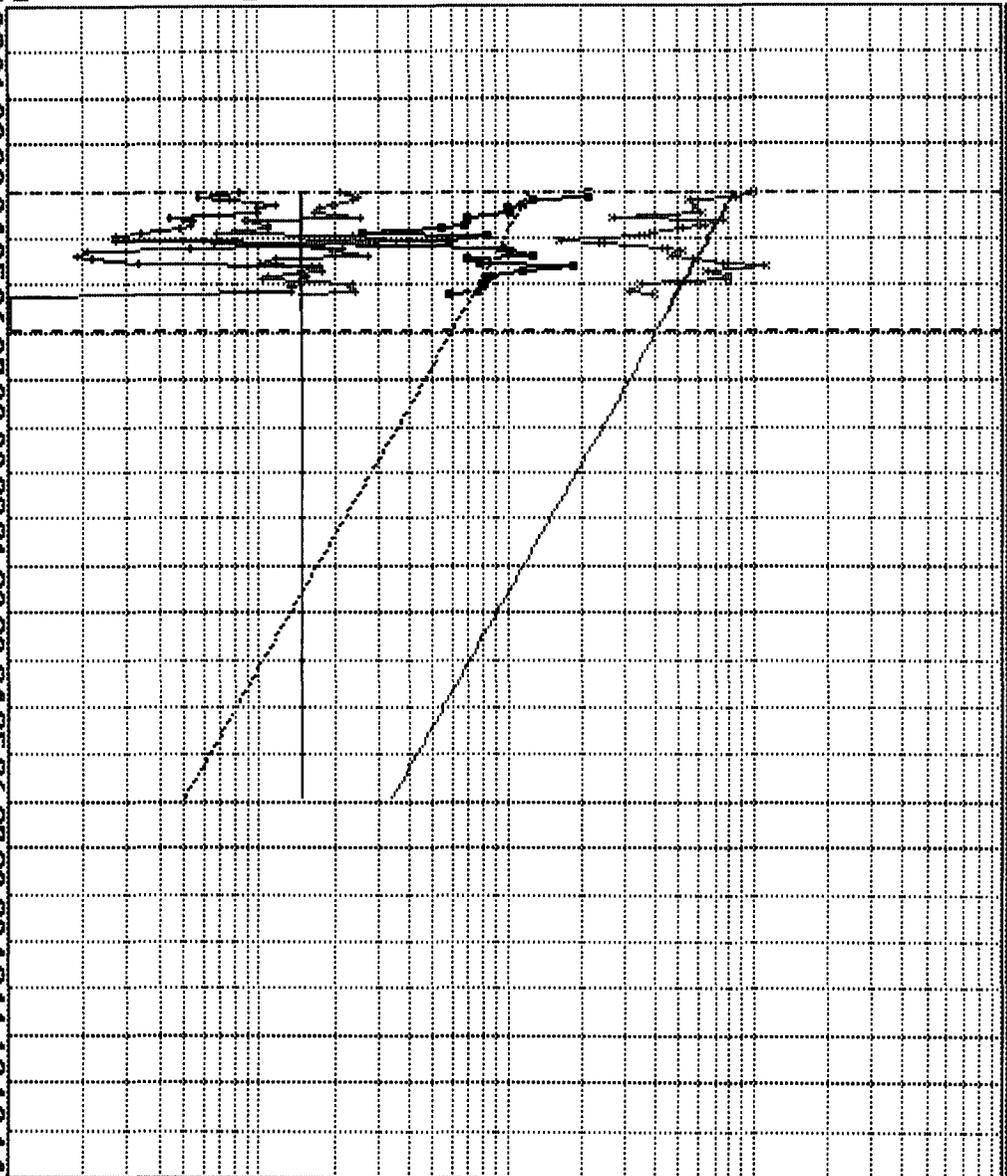
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON--STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: center;"></p> <p>Signature Donna Williams Printed Name Regulatory Compliance Title 7/10/96 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p>
	<p>Certificate Number</p>

*Delaware + Intermediate
Ramsay - Upper*

CHECKERBOARD 23 FEDERAL 1 1 30632B-1

10 100 1000 10000 WATER
 100 1000 10000 100000 GAS/OIL
 1 10 100 1000 GAS
 0.1 1 10 100 OIL



Prop 4 *

- OIL Bbl/d
- GAS Mcf/d
- GAS/OIL
- WATER Bbls/d

EUR RateTime Semi Log

Cum Rem
 Rem%: 10.5
 Date 7/1/1996

Act 0
 Qmo 1,399

Q 45.7
 n 0
 De 22

Qab 3

GetQual WKJ

Major = OIL

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	<p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: right;"></p> <p>Signature Donna Williams Printed Name Regulatory Compliance Title 7/10/96 Date</p>
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	<p>Certificate Number</p>

MERIDIAN OIL INC.
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
CHECKERBOARD '23' FEDERAL WELL NO. 1
LEA COUNTY, NEW MEXICO

Mobil Exploration & Production
Box 633
Midland, Texas 79702

Exxon Company, U.S. A.
Box 1600
Midland, Texas 79702

Pogo Producing Company
Box 10340
Midland, Texas 79702

C.W. Trainer
2972 Valley View Lane
Farmers Branch, Texas 75234