

# MERIDIAN OIL

July 28, 1989

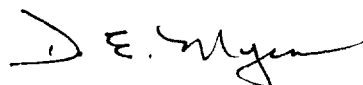
New Mexico Oil & Gas Conservation Commission  
Mr. David Catanach  
310 Old Santa Fe Trail  
State Land Office Bldg., Room 206  
Santa Fe, NM 87504

RE: REQUEST TO COMMINGLE STATE 16-#4 PRODUCTION

Dear Mr. Catanach:

Meridian is requesting permission to commingle our newly drilled State 16-#4 production with our State 16-#1, 16-#2, and 16-#5 production. The package of information submitted to the Commissioner of Public Lands is attached. It should provide all the information needed to process the request; however, if you have any questions, please contact David Cook at (915)686-5663.

Sincerely,

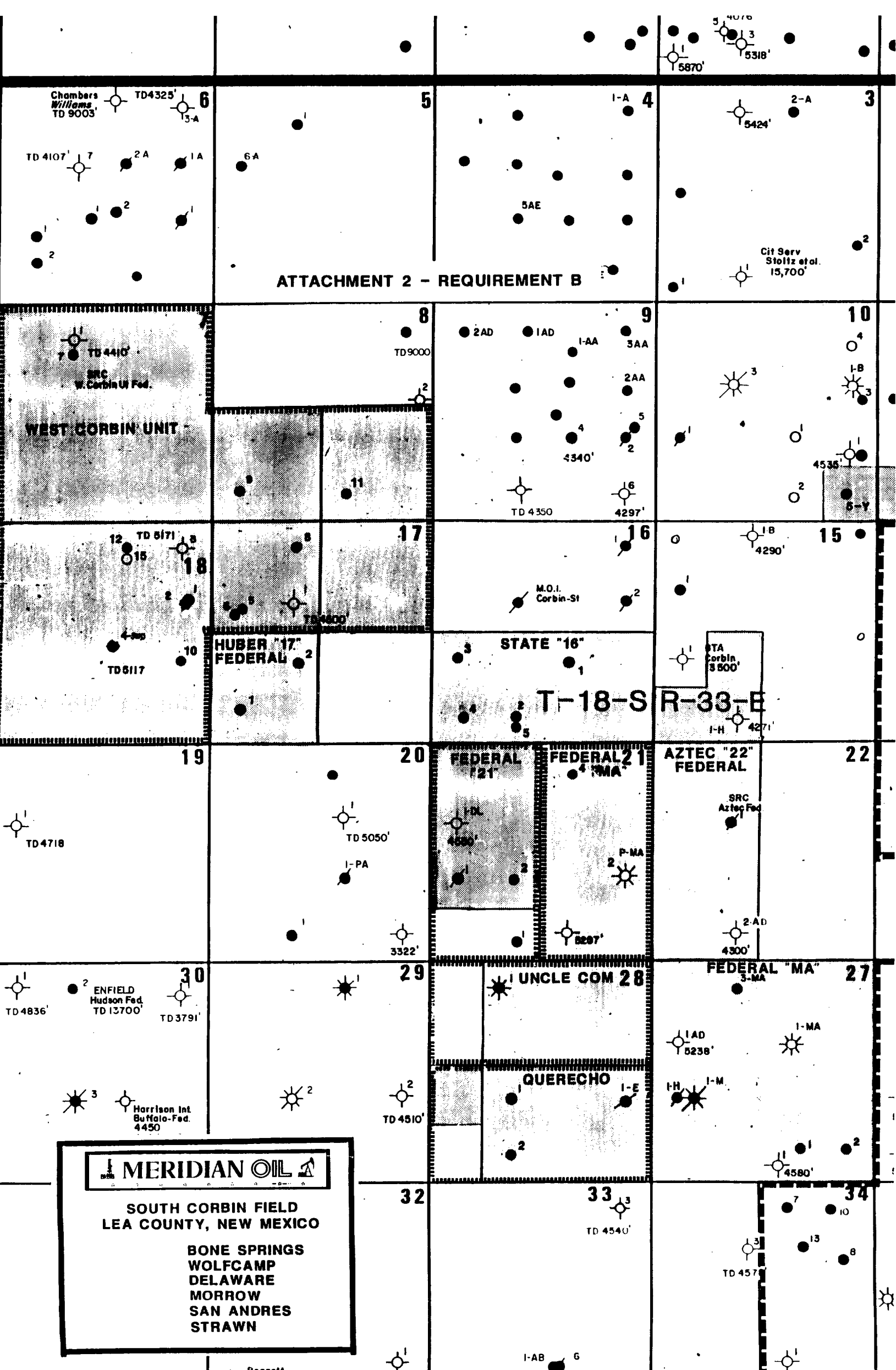


Dave E. Myers  
Production Superintendent

Attachments

xc w/o attachments: Mr. Jerry Sexton  
Hobbs District Office

EJA/ddc



## ATTACHMENT 1

### STATE LAND OFFICE RULE 1.055 REQUIREMENTS

- A. This package of information is Meridian's formal application. We currently have two tank batteries constructed at the 16-#1 location. One battery handles production from the 16-#1, 16-#2, and 16-#5 wells; the other battery handles production from our 16-#3 well. We have recently completed the 16-#4 well and in order to avoid the cost of building a new tank battery to handle the 16-#4 production, we propose to maximize the use of our existing facilities by commingling the 16-#4 production in the 16-#1, 16-#2, and 16-#5 battery. A check for the \$30.00 application fee is enclosed.
- B. A plot showing the location of the lease, wells, and flow lines is attached and titled Attachment 2 - Requirement B. All production equipment is located at the 16-#1 location and all piping is above ground unless otherwise noted.
- C. The lease involved is lease LG4087, located in the South 1/2 of Section 16, T18S, R33E. The State beneficiary is Common Schools (C.S.).
- D. The wells produce from the following pools:
- |       |          |
|-------|----------|
| 16-#1 | Wolfcamp |
| 16-#2 | Wolfcamp |
| 16-#4 | Wolfcamp |
| 16-#5 | Delaware |
- E. Commingling the streams as described will have no impact on revenue to the State of New Mexico because all gravities are similar and mixing will not result in a lower price. The end result will be that the State realizes more revenue from the production of the State 16-#4 well.
- F. A schematic diagram of the entire system from the wells to the sales connection is attached as Attachment 3 - Requirement F. The diagram shows the layout and position of the equipment components. This includes pipe, valves, tanks, treaters, and flow lines.
- G. There are no specially fabricated equipment items employed. All items are commercially available.
- H. Lease operation will be as follows. A two-phase separator and treater will handle the production from the 16-#1, 16-#2, 16-#4, and 16-#5 wells. A separate separator and treater will individually test the 16-#1, 16-#2, 16-#4, and 16-#5 wells on a monthly basis.
- I. Additional pertinent data for June 1989, is given below:

	<u>16-#1</u>	<u>16-#2</u>	<u>16-#4</u>	<u>16-#5</u>
Oil, BPD	110	88	200	46
Water, BPD	2	23	40	15
Gas, MCFD	170	180	200	50
API Gravity	42.0*	42.0*	41.0	42.0*

The new 16-#4 well is not capable of meeting its top allowable volumes.

\* Average gravity for the battery since production is commingled.



**OLNEY SAVINGS**

P.O. BOX 307 OLNEY, TEXAS 76374  
(817) 564-5502

{ THE PURCHASE OF AN INDEMNITY BOND WILL BE  
REQUIRED BEFORE ANY OFFICIAL CHECK WILL BE  
REPLACED OR REFUNDED IN THE EVENT IT IS LOST,  
MISPLACED OR STOLEN. }

98-000000

88-7265/3119

ACCOUNT NUMBER

**MONEY ORDER**

CHECK NO.

DATE

03 1 1988

4-1370-0000

98-000000

111-1111

DAY

\*\*\*\*\*\$304 DOLLARS AND 00 CENTS

AMOUNT

TO THE  
ORDER  
OF

CASH ON HAND  
STATE OF TEXAS

REMITTER

PERSONAL

*Kathy Baker*

⑈98000805⑈ ⑈311972652⑈923190098 307⑈

# State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



## Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

August 4, 1989

Meridian Oil Inc.  
21 Desta Drive  
Midland, Texas 79705

RE: Request for Approval to Surface Commingle  
Lea County, New Mexico  
T-18-S, R-33-E, Section 16  
Wells 16-1, 16-2, 16-4, and 16-5

ATTN: Dave E. Myers or David Cook

Gentlemen:

Reference is made to your letter of July 28, 1989 wherein you request approval for surface commingling of oil production from Wells 16-1, 16-2, 16-4, and 16-5 on New Mexico State Lease LG-4087. We received your complete application package including the \$30.00 filing fee.

Approval is hereby granted to commingle the oil produced from the four wells as described above. Please be advised that any deviation from your proposed request will be grounds to rescind our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, please do not hesitate to contact us.

W.R. HUMPHRIES,  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5749

enclosure

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE