



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

*COMMINGLING ORDER PC-780*

Meridian Oil, Inc.  
21 Desta Drive  
Midland, TX 79705

Attention: Robert L. Bradshaw

LEASE NAME: Mitchell "16" State Lease  
DESCRIPTION: NE/4 NE/4, S/2 NE/4, Section 16, T-18 South, R-32 East, NMPM,  
Lea County, New Mexico.

The above-named company is hereby authorized to commingle North Young Wolfcamp and North Young Bone Spring Pool production in a common tank battery and to determine the production from each pool by well tests. (All commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 11th day of December, 1990.

A handwritten signature in black ink, appearing to read 'William J. Lemay', written over a horizontal line.

WILLIAM J. LEMAY,  
Division Director

**MERIDIAN OIL**

STATE LAND DIVISION  
RECEIVED

'90 OCT 29 AM 9 43

October 27, 1990

Mr. David Catanach  
Oil Conservation Division  
P.O. Box 2088  
State Land Office Building  
Santa Fe, NM 87501

RE: Meridian Oil Inc.  
Mitchell "16" State #3  
Sec. ~~12~~, T18S, R32E  
V-135716

Dear Mr. Catanach:

The referenced well produces about 230 bopd from the North Field Bone Spring. We propose to surface commingle this production with the Young Wolfcamp production at the Mitchell "16" Battery. The value of the commingled well will not change, as demonstrated on the attached chart. By commingling at the existing battery, we will also eliminate the expense of constructing and operating a new tank battery.

If any further information is needed, please contact me at (915) 686-5636.

Sincerely,

*Estella M. Alvarado*

Estella M. Alvarado  
Production Analyst

RLB/bn

c: Well File  
D.D. McBee  
R.L. Bradshaw  
State Land Office

*2-wells w/c  
1-Battery*

# MERIDIAN OIL

October 27, 1990

Mr. David Catanach  
Oil Conservation Division  
P.O. Box 2088  
State Land Office Building  
Santa Fe, NM 87501

RE: Meridian Oil Inc.  
Mitchell "16" State #3  
Sec. 12, T18S, R32E  
V-1357/16

Dear Mr. Catanach:

The referenced well produces about 230 bopd from the North Field Bone Spring. We propose to surface commingle this production with the Young Wolfcamp production at the Mitchell "16" Battery. The value of the commingled well will not change, as demonstrated on the attached chart. By commingling at the existing battery, we will also eliminate the expense of constructing and operating a new tank battery.

If any further information is needed, please contact me at (915) 686-5636.

Sincerely,

*Estella M. Alvarado*

Estella M. Alvarado  
Production Analyst

RLB/bn

c: Well File  
D.D. McBee  
R.L. Bradshaw  
State Land Office

*cue 40  
Common Ownership*

MERIDIAN OIL INC.  
MITCHELL "16" STATE NO. 3  
SURFACE COMMINGLE PERMIT REQUEST

	<u>Mitchell "16" St. #3</u>	<u>Commingled</u>	<u>Mitchell "16" Battery</u>
Formation	Bone Springs		Wolfcamp
API Gravity	44	43.9°	43.9°
Volumes	230 bbls/dy	739 bbls/dy	509 bbls/dy
Value, \$/bbls	\$33	\$33	\$33
Value	\$7,590.00/dy	24,387/dy	\$16,797/dy
	Combined Value	\$24,387	per day
	Commingled Value	\$24,387	per day
	Value Gain (Loss)	-0-	per day

Note: \$33/b.o. weighted average price as of 10/26/90

*North Young Wolfcamp 40,000*

#1 - 4W - 1650 bbls 95% FEL (A) - 95% FEL (A)

#2 - 4W - 469 bbls 55% FEL (A) - 512 bbls - 2-3 12-14-15

#3 North Young Bone Springs 235 bbls (G)

No well are hydraulically

*1040 - 360 bbls  
1425 - 230 bbls*

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

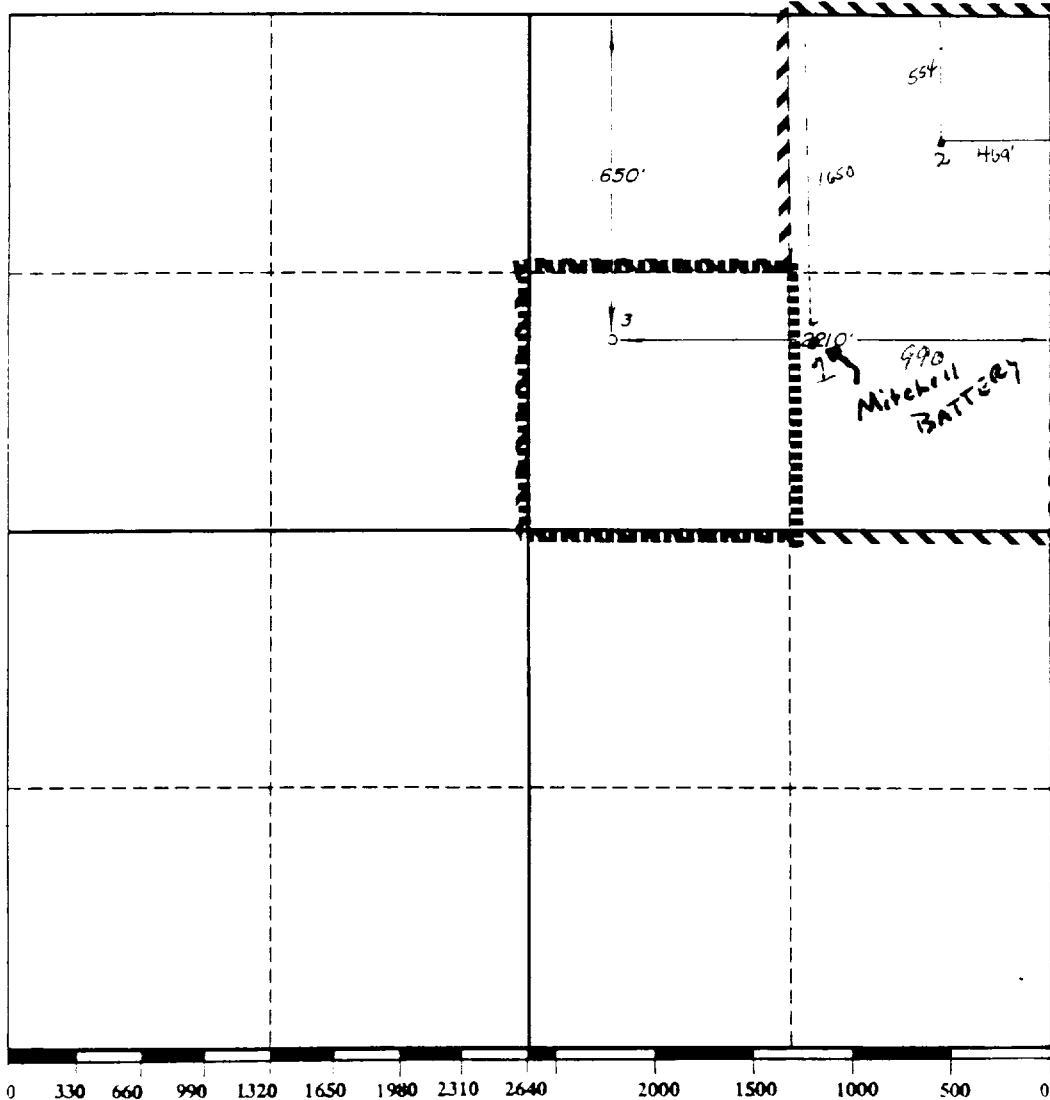
Operator	MERIDIAN OIL INC.				Lease	MITCHELL "16" STATE		Well No	3
Well Letter	Section	Township	Range	County					
G	16	18-SOUTH	32-EAST	NMPM	LEA				
Actual Footage Location of Well.									
650	feet from the	NORTH	line and	2210	feet from the	EAST	line		
Ground level Elev	Producing Formation		Pool	Dedicated Acreage:					
3787'	WOLF CAMP		YOUNG (WOLF CAMP)	40 Acres					

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is yes type of consolidation

If answer is no list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit eliminating such interest has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature *Estella M. Alvarado*

ESTELLA M. ALVARADO  
Printed Name

PRODUCTION ANALYST  
Position

MERIDIAN OIL INC.  
Company

08-17-90  
Date

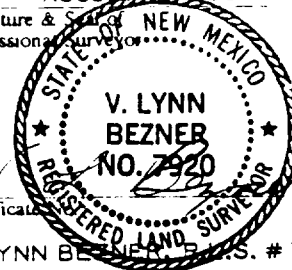
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed

AUGUST 11, 1990

Signature & Seal of Professional Surveyor



Certificate

V. LYNN BEZNER, S.S. # 7920