

MERIDIAN OIL

July 28, 1992

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504
Attn: Mr. David Catanach, Engineer

9 17

**RE: APPLICATION TO SURFACE COMMINGLE
THE WEST TONTO BONE SPRING FIELD
AND THE BUFFALO YATES FIELD ON
THE BONDURANT FEDERAL LEASE (NM-12568-A)
LACT APPLICATION BEING FILED THRU THE OCD - HOBBS
IN SEC. 1, T19S, R32E
LEA COUNTY, NEW MEXICO**

Gentlemen:

Meridian requests approval to surface commingle the West Tonto Bone Spring and the Buffalo Yates Fields on the Bondurant Federal Lease. Also, we request approval to install a LACT unit at unit letter H, 660' FEL & 1980' FNL on Sec. 1, T19S, R32E, Lea County, N. M. Form C-106 is being filed thru the OCD in Hobbs.

A Plat is attached showing the location of each well and reservoir each well produces from and the proposed location of the LACT.

Enclosed is a battery diagram which describes the proposed operation.

The Bondurant Federal lease produces about 350 BOPD from the Yates and Bone Spring reservoirs. The individual well production is listed below.

<u>WELL NO.</u>	<u>UL</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPO</u>	<u>GRAVITY</u>	<u>FORMATION</u>
#1	I	31	28	48	40.3	Bone Spring
#2	H	17	35	60	40.3	Bone Spring
#3	A	--	--	--	--	Shut-In
#4	H	35	6	20	38.2	Yates
#5	B	80	10	25	38.2	Yates
#6	I	--	--	--	--	Plugged & Ab.
#7	G	14	0	--	38.2	Yates
#8	C	90	2	30	38.2	Yates
#9	F	90	5	60	38.2	Yates

Surface Commingling - Bondurant Federal Lease

Page 2

Once a month, production from each well will go through a test heater treater that goes to test tanks all by itself. This is how production will be allocated.

Meridian is 100% working interest owner for this lease. Royalty interest and overriding interest are the same for both the West Tonto Bone Spring and the Buffalo Yates Fields. See list attached.

Federal royalties will not be reduced through the approval of this application as both the Bone Spring and the Yates have identical royalty interest for the BLM.

The economic justification will be that Meridian will save money in transportation cost as we won't have to pay trucking fees. LACT will be hooked up to the pipeline. Also, Meridian will save operating time and costs by operating one battery instead of two. This commingling will save several thousand dollars a year on transportation cost plus a reduction in operating costs and time.

If you require additional information, please call me at A/C 915-688-6906.

Sincerely,

Maria L. Perez
Production Asst.

(915) 688-6906

MLP/sm

xc: Bureau of Land Management - Carlsbad
Texas-New Mexico Pipe Line Company

Lease File
Brett Adams
Don McBee
Artesia Office
Debbie Davis
Roxann Scholz
Regulatory File
Reading File

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

LEASE PLAT

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

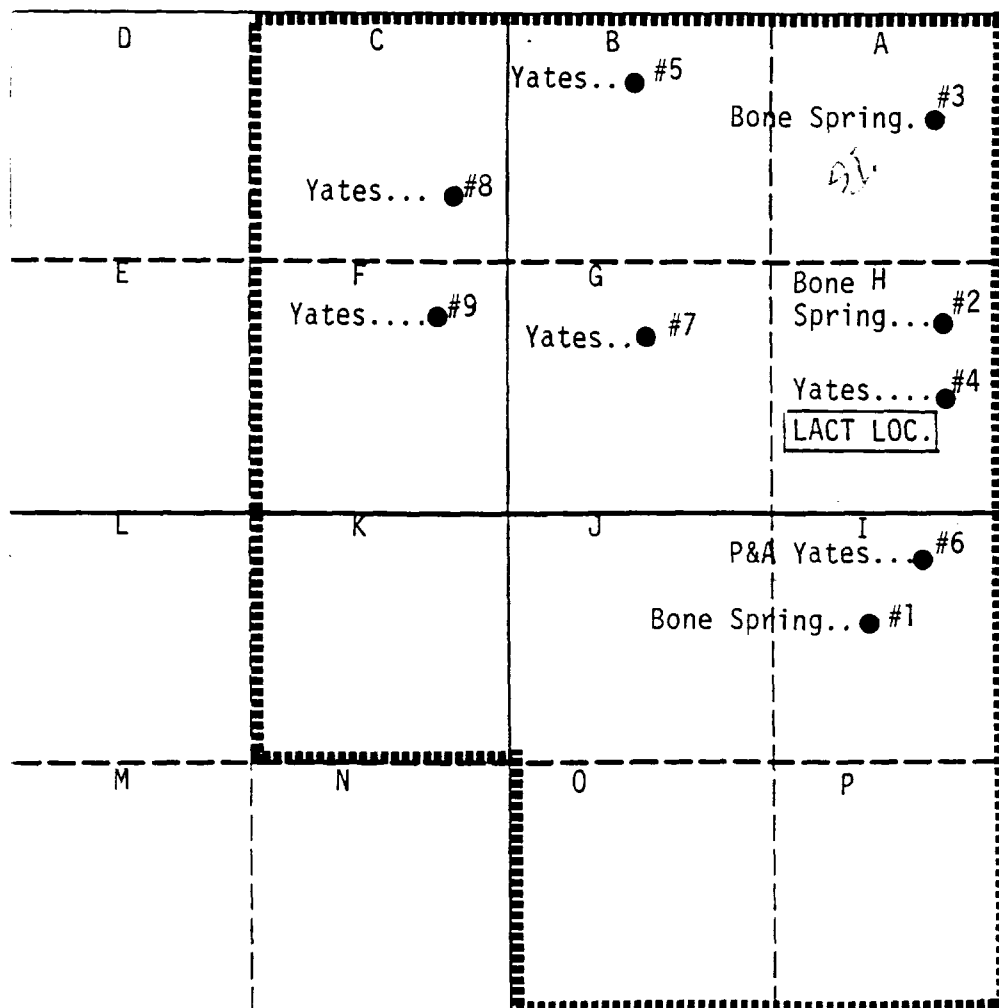
Operator MERIDIAN OIL INC. Lease BONDURANT FEDERAL Well No.

Unit Letter Section Township Range County
1 19-SOUTH 32-EAST NMPM LEA

Actual Footage Location of Well:

Ground level Elev. feet from the Producing Formation line and Pool WEST TONTO (BONE SPRING) Dedicated Acreage: Acres
BUFFALO (YATES)

- 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

Printed Name

MARIA L. PEREZ

Position

PRODUCTION ASST.

Company

MERIDIAN OIL INC.

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.

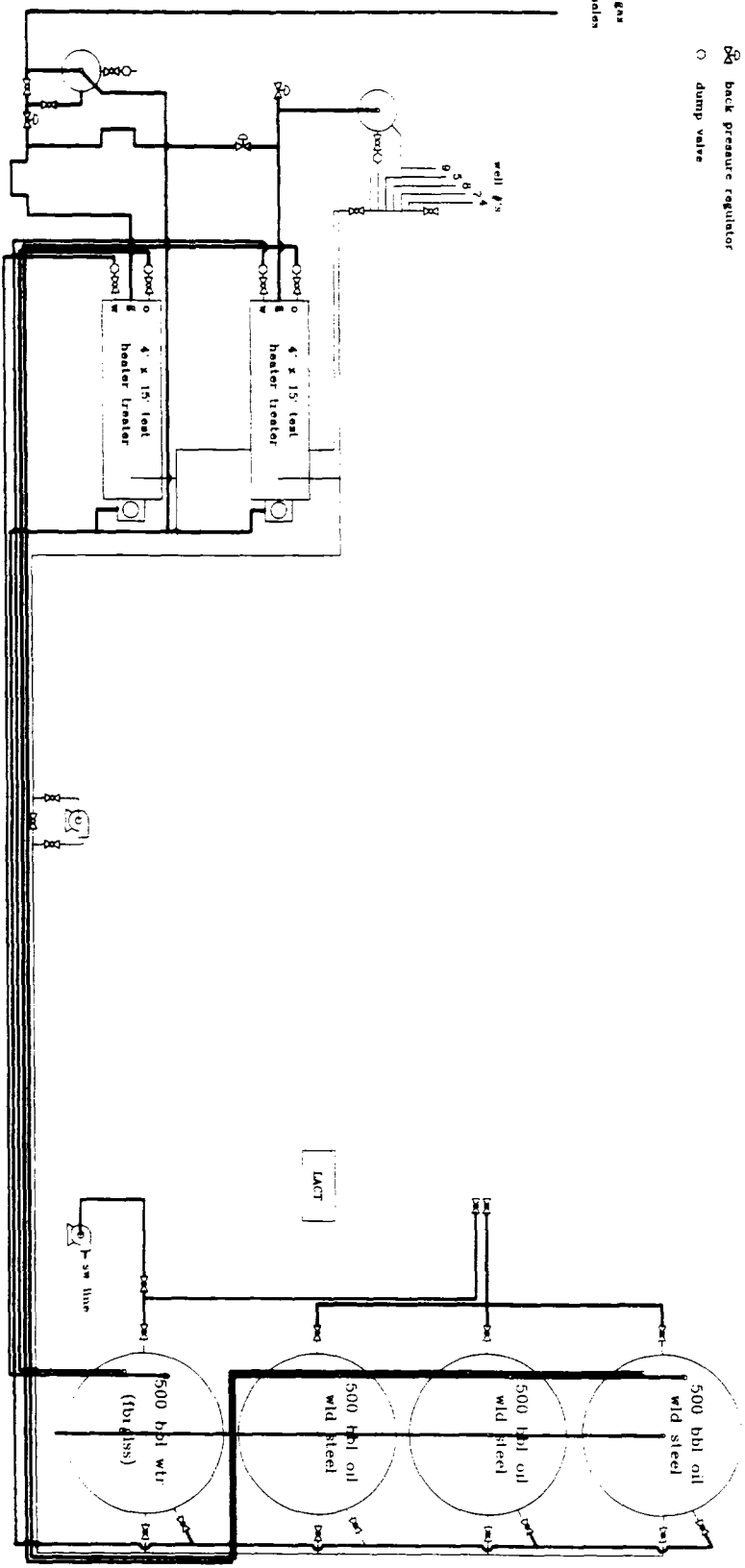
Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No.

- sealable plug valve
- plug valve
- back pressure regulator
- dump valve

gas
solids



MOI Bondurant #4 Battery

Unit H Sec 1, T19S R32E
Lea County, New Mexico

REFERENCE DRAWINGS

REVISIONS

MERIDIAN OIL, INC.
MIDLAND, TEXAS

drawing by brell adams
July 26 1992

07/07/92

RELATED DIVISION ORDERS

LWM600NL
<LANDWELL>

WELL NO: 5008A NAME: BONDURANT FEDERAL

FORM: BONE SPRINGS

DO#	V	COMPANY	PROD	PROPERTY	PROPERTY NAME	EFF DATE	INTEREST
83203100	Y	21 MOI	OIL	016440700	BONDURANT FED CO	09/26/90	100.000000

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07/07/92 11:05:19.2

DIVISION ORDER INQUIRY

LWM601NL
<LANDWELL>

DO#: 83203100 CO: 21 MOI PROD: OIL PROPERTY: 016440700
WELL: 5008A BONDURANT FEDERAL 2 FORMATION: BONE SPRINGS

OWNER#	OWNER NAME	RE	PAY	REASON FOR SUSP	B/C	TYPE	OWNER %
027338	01 MINERALS MANAGEMENT SERV	A	PAY		001	RI	12.500000
039146	01 CHARLES E STRANGE 1976 T	A	PAY		001	ORRI	2.500000
051152	01 LARRY AND ROSALIE JONES	A	PAY		001	ORRI	1.000000
051153	01 FRANCES A FRENCH	A	PAY		001	ORRI	1.250000
051154	01 C A MAINO TRUST	A	PAY		001	ORRI	1.250000
051155	01 PENROC OIL CORPORATION	A	PAY		001	ORRI	1.000000
057180	01 C WENDEL SCHOENBERGER	A	PAY		001	ORRI	.750000
057307	01 JAMES T MASON JR	A	PAY		001	ORRI	1.000000
065983	01 ELEANOR A RIDDLE	A	PAY		001	ORRI	.750000
999021	01 MERIDIAN OIL INC	A	PAY			NWI	78.000000

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07/07/92

RELATED DIVISION ORDERS

LWM600NL
<LANDWELL>

WELL NO: 19698A NAME: BONDURANT FEDERAL FORM: YATES

DO#	V	COMPANY	PROD	PROPERTY	PROPERTY NAME	EFF DATE	INTEREST
83368100	Y	21 MOI	ALL	016440700	BONDURANT FED CO	03/26/91	100.000000

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07/07/92 11:13:35.2

DIVISION ORDER INQUIRY

LWM601NL
<LANDWELL>

DO#: 83368100 CO: 21 MOI
WELL: 19698A BONDURANT FEDERAL

PROD: ALL PROPERTY: 016440700
FORMATION: YATES

OWNER#	OWNER NAME	RE PAY	REASON FOR SUSP	B/C	TYPE	OWNER %
027338 01	MINERALS MANAGEMENT SERV	A PAY		001	RI	12.500000
039146 01	CHARLES E STRANGE 1976 T	A PAY		001	ORRI	2.500000
051152 01	LARRY AND ROSALIE JONES	A PAY		001	ORRI	1.000000
051153 01	FRANCES A FRENCH	A PAY		001	ORRI	1.250000
051154 01	C A MAINO TRUST	A PAY		001	ORRI	1.250000
051155 01	PENROC OIL CORPORATION	A PAY		001	ORRI	1.000000
057180 01	C WENDEL SCHOENBERGER	A PAY		001	ORRI	.750000
057307 01	JAMES T MASON JR	A PAY		001	ORRI	1.000000
065983 01	ELEANOR A RIDDLE	A PAY		001	ORRI	.750000
999021 01	MERIDIAN OIL INC	A PAY			NWI	78.000000

ENTER=MORE PFX=DETAILS PF9=D/O LIST PF11=TOP OF LIST PF12=MENU PF24=HELP
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TEXAS-NEW MEXICO PIPELINE COMPANY

DOUGLAS D. BEU
ASSISTANT DISTRICT MANAGER

PO BOX 2528
HOBBS NM 88241-2528
505-393-2135

Mr. Brett Adams
Meridian Oil, Inc.
PO Box 51810
Midland TX 79710-1810

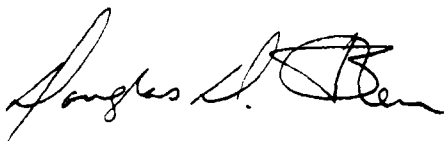
April 30, 1992

Re: Meridian Oil, Inc. - Bondurant Lease
Unit H, S1, T19S, R32E
Lea County, New Mexico
LACT Facility Approval

Dear Mr. Adams:

Enclosed for your file is a copy of our LACT approval letter to the New Mexico Oil Conservation Division. If this LACT unit uses a programmable logic controller (PLC), we require a copy of its control logic. If you have any questions, please call our office.

Sincerely,



JTJ:JJ

xc: Chrono
File

Attachment