

**MERIDIAN OIL**

OIL CONSERVATION DIVISION  
SANTA FE, N.M.

*Handwritten:* 4-19-93

March 25, 1993

1993 03 24 PM 9 52

Mr. David Catanach  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504

RE: Amend Commingling Order PC-767  
Southland Royalty Company  
Federal "MA" Lease, (LC-064944)  
Applying for Lease Commingling  
and off-lease storage  
Add the Aztec "22" Federal Well No. 3, (NM-0997)  
West Corbin Delaware Pool  
D, Sec 22, T18S, R33E  
Lea County, NM

Dear Mr. Catanach:

Southland Royalty Company requests authority to amend Commingling Order PC-767 to a Lease Commingling Authority. The West Corbin-Delaware, South Corbin-Wolfcamp, and South Corbin Bone Spring Pools production will collect in a common tank battery.

LEASE NAME: FEDERAL "MA" LEASE (LC-064944)  
DESCRIPTION: SEC. 21, T18S, R33E, LEA COUNTY, NM  
BATTERY LOCATED IN UNIT LETTER I

Well No. 2	(I)	South Corbin Bone Spring
Well No. 4	(B)	South Corbin Wolfcamp
Well No. 6	(B)	West Corbin Delaware
Well No. 7	(A)	West Corbin Delaware
Well No. 8	(H)	South Corbin Wolfcamp

New addition:

LEASE NAME: AZTEC "22" FEDERAL LEASE (NM-0997)  
DESCRIPTION: SEC. 22, T18S, R33E, LEA COUNTY, NM

Well No. 3 (D) West Corbin Delaware

Production from the Federal "MA" Wells No. 6 & 7 and the Aztec "22" Federal Well No. 3, West Corbin Delaware Pool, shall be separately metered and allocated on the basis of well tests prior to commingling. The remaining production shall also be allocated on the basis of well tests.

The estimated amount of production for the Aztec "22" Federal No. 3 is 80 BOPD, 120 MCFPD, 60 BWPD.

API Gravity is:

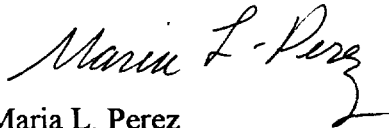
Wolfcamp	42.2°
Delaware	39.0°
Bone Spring	37.5°
Commingled	39.2°

Attached is a copy of the royalty interest owners for the Aztec "22" Federal No. 3. Federal royalties will not be reduced as the well will be separately metered. The gravities from all three reservoirs are compatible. Also enclosed is an updated battery sketch and plat showing location of the wells.

Additionally, we request approval for off-lease storage for the Aztec "22" Federal No. 3 to the Federal "MA" battery located at I, Sec. 21, T18S, R33E, Lea County, NM.

If additional information is required please contact me at 915-688-6906.

Sincerely,



Maria L. Perez  
Production Assistant

MLP:aem

XC:	Well File	Stella Alvarado
	Land Dept.	Joint Interest
	Reser. Engr.	Prod. Engr.
	Facility Engr.	Richard Atchley - Production Services
	OCD -Hobbs	BLM- Carlsbad
	Regulatory	Texas-New Mexico Pipeline Company
	1. Connie Malik	
	2. Donna Williams	
	3. Maria Perez	

**Aztec "22" Federal Well No. 3  
West Corbin Delaware Pool  
D, Sec. 22, T18S,R33E, Lea County, NM  
List of Royalty Interest Owners**

Working Interest Southland Royalty Co. 1.000000

Ronald H. Breland	ORRI	.833330
Mineral Management Service	RI	12.500000
Mary Loomis Cleve	ORRI	1.666670
Prentiss C. Breland	ORRI	.833330
Howard B. Wright	ORRI	1.666670
Southland Royalty Co.		82.500000



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

GARREY CARRUTHERS  
GOVERNOR

*Previous Approval*

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

AMENDED COMMINGLING ORDER PC-767

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

Attention: Robert L. Bradshaw

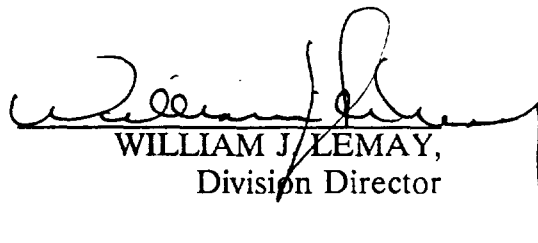
LEASE NAME: Federal "MA" Lease  
DESCRIPTION: N/2 NE/4, NE/4 SE/4 Section 21, NE/4 NW/4, Section 27, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.

The above-named company is hereby authorized to commingle West Corbin-Delaware, South Corbin-Wolfcamp, and South Corbin-Bone Spring Pool production in a common tank battery. Production from the subject lease shall be determined as follows:

- (a) Production from the Federal "MA" Well Nos. 6 and 7, West Corbin-Delaware Pool shall be individually and separately metered prior to commingling.
- (b) The remaining production shall be allocated on the basis of well tests.

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 28th day of November, 1990.

  
WILLIAM J. LEMAY,  
Division Director

cc: Oil Conservation Division - Hobbs  
US Bureau of Land Management - Carlsbad

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT  
Carlsbad Resource Area Headquarters  
P. O. BOX 1778  
Carlsbad, New Mexico 88220

Previous  
Approval

3162 (067)

JAN 18 1990

Meridian Oil, Inc.  
Attn: C.L. Malik  
21 Desta Drive  
Midland, TX 79705

RE: LC-064944  
Federal 'MA' #6  
NWNE of Sec. 21, T18S, R33E; NMPM

Gentlemen:

Your request to surface commingle West Corbin Delaware production from the above referenced well with South Corbin Wolfcamp production from your Federal 'MA' #2 located in the NESE of Sec. 21, T18S, R33E; NMPM, Lease #NM-0997, is hereby approved.

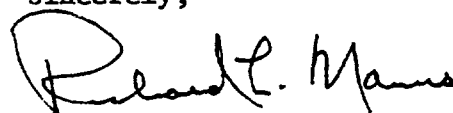
It is our understanding that the common tank battery facility that will be used for commingling will be located at the Federal 'MA' #2 wellsite. Each well's flow will be metered separately prior to commingling.

It is also our understanding that the actual commercial value of the commingled production will be approximately \$.10 per day less than the sum of the values if not commingled. Additional information contained in your application indicated that this apparent net gain (loss) of \$.10 per day will be offset by the operator not having to make up-front capital expenditures to construct and maintain a new and separate tank battery facility to handle production from the 'MA' #6.

Accordingly, approval is also hereby given for off-lease measurement for sales for the 'MA' #6, contingent upon the operator obtaining appropriate right-of-way approval from the Realty Staff of the BLM-Carlsbad for that off-lease portion of any necessary flowlines.

Please contact Shannon J. Shaw at (505) 887-6544 if any further information is required.

Sincerely,



Richard L. Manus  
Area Manager

Huber 17 Lse

4

State 16 Lse

4

2

5

6

7

8

1

2

2

Percha State Lse

20

1

1

South Corbin Lse



3

29

Federal 21 Lse

1

2

9

Federal MA Lse

2

Tijeras State Lse

1

T-18-S

R-33-E

1  
3

28

Uncle Com Lse

7

3-

Proposed  
Flowline

LACT

Aztec Federal Lse

