

JUL 18 1996

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
611 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-8429

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.: Checkerboard '23' Federal # 3 Unit No.: F, Sec. 23, T22S, R30E
Lease No.: 26485 Property Code: 013136 API No.: 30-025-32287
Spacing Unit Lease Types: (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)	8265'-8494'		9122'-9141'
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) 1275	a.	a. 2700
	b. (Original) 2550	b.	b. 2740
6. Oil Gravity (° API) or Gas BTU Content	43.4334		39
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 * If Producing, give date and oil/gas/water rates of recent test (within 90 days)	Date: Rates:	Date: Rates:	Date: 1/12/94 Rates: 14 oil, 0 mcf, 9 water
	Date: 5/9/96 Rates: 25 oil, 100 mcf 24 water	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 75% Gas: 100%	Oil: % Gas: %	Oil: 25% Gas: 0%

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: [Signature] 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 30-025-32287		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. 3
⁷ OGRID No. 26485		⁸ Operator Name Meridian Oil Inc.			⁹ Elevation 3740'

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		2310'	North	2295'	West	Lea

¹¹ Bottom Hole Location If Different From Surface

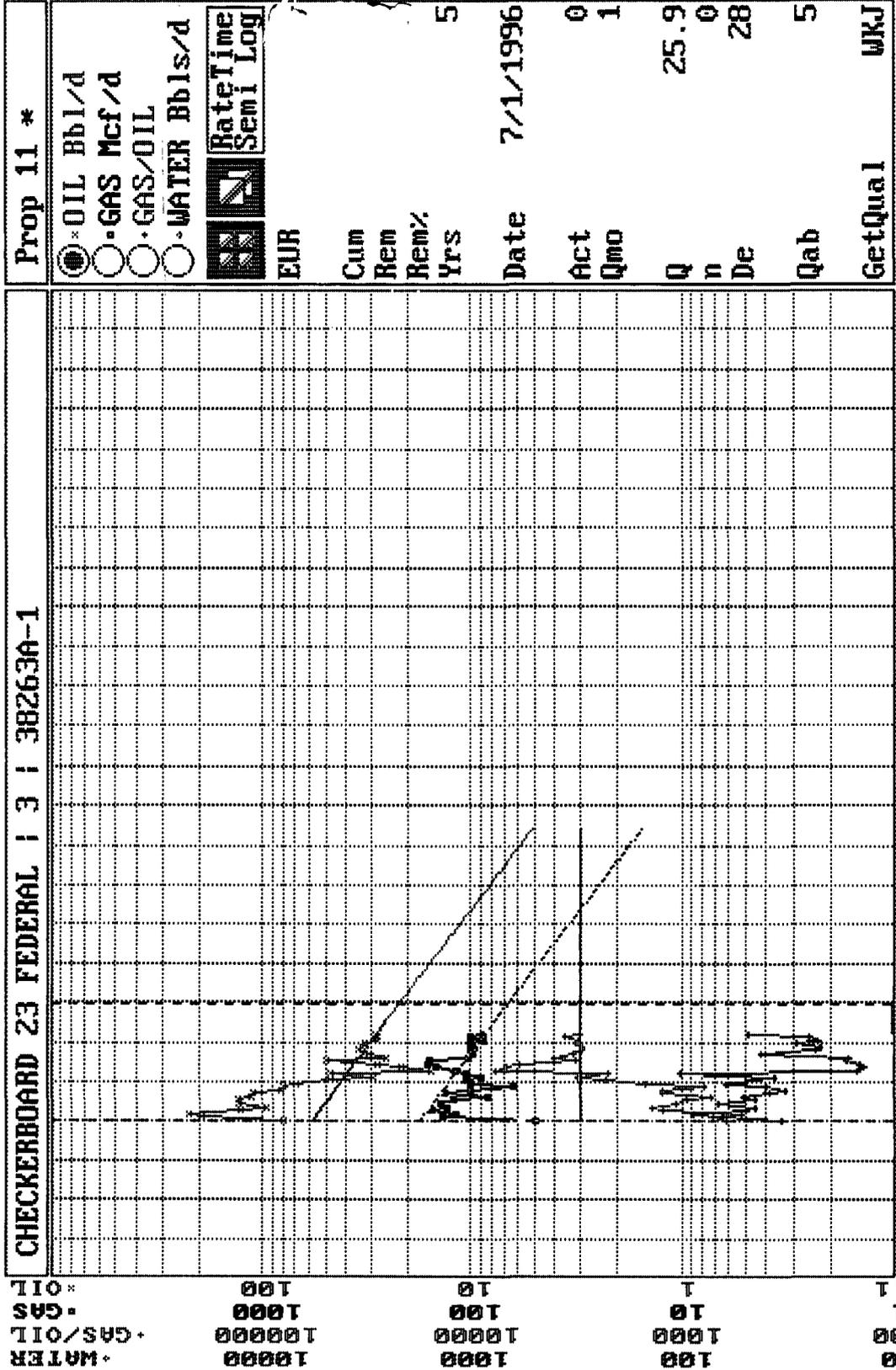
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

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></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: Certificate Number</p>

Delaware - Upper Zone



Major = OIL

* WATER 10000
 * GAS/OIL 100000
 * GAS 1000
 * OIL 100

1000 10000 100000 1000000
 10 100 1000 10000 100000 1000000
 1 10 100 1000 10000 100000 1000000
 1 10 100 1000 10000 100000 1000000

90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14

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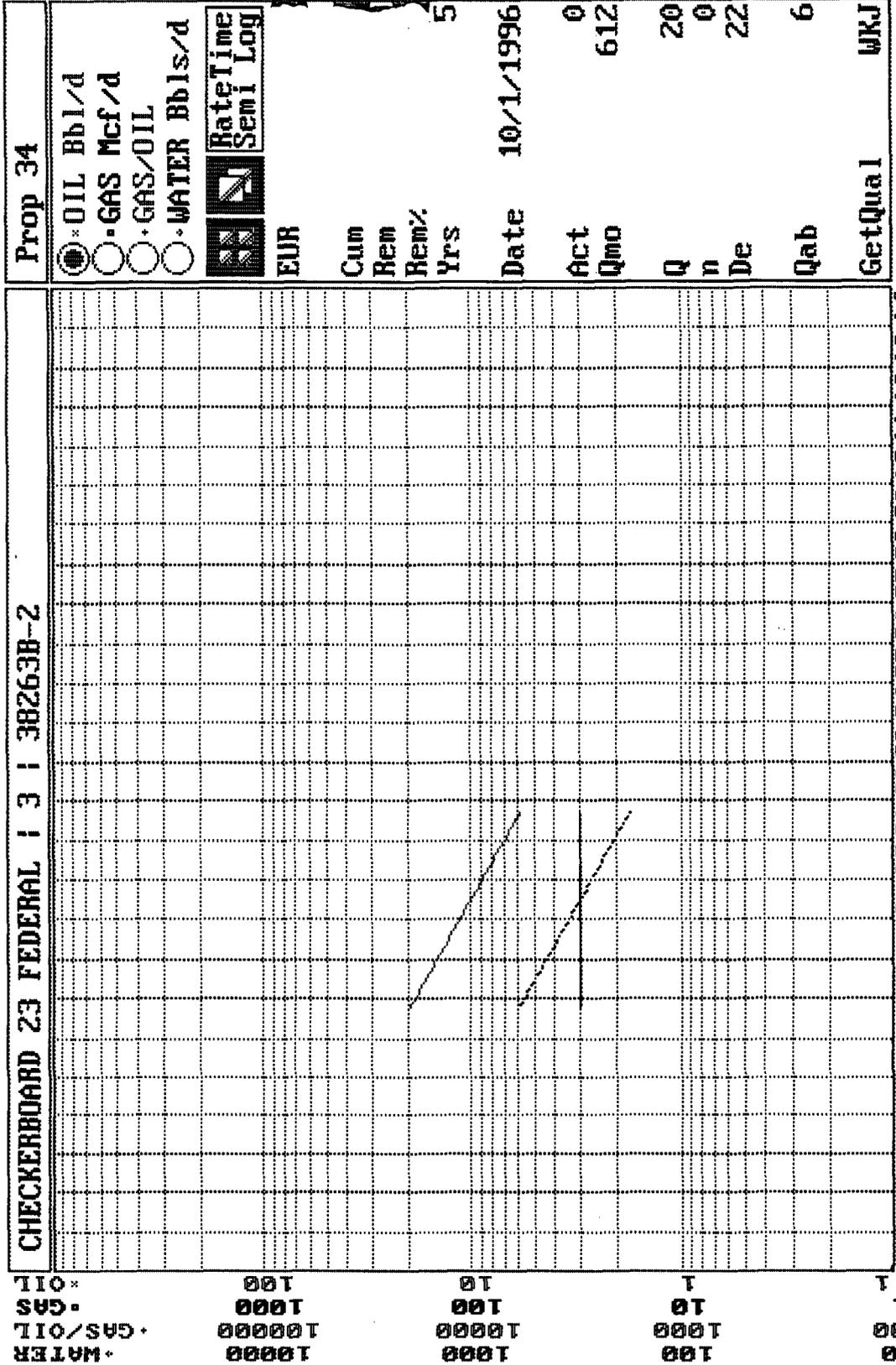
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Title 7/10/96			
Date			
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Date of Survey			
Signature and Seal of Professional Surveyor:			
Certificate Number			

Bone Spring - Lower Zone



Major = OIL

<p>Santa Fe Ener. 10-1-94 V-3112 8622</p> <p>State</p>	<p>J.C. Barrows, et al 8-1-93 7052 U.S.</p> <p>State</p>	<p>Phillips 6-1-94 9688 1302</p> <p>U.S. M.I. J.C. Mills (S)</p> <p>U.S.</p>	<p>Marato, et al 8-1-94 2982</p> <p>U.S.</p>	<p>Marato, et al 8-1-94 2982</p> <p>U.S.</p>	<p>Marato, et al 8-1-94 2982</p> <p>U.S.</p>	<p>State</p>	<p>State</p>
<p>Santa Fe Ener. 9-1-93 77057 5322</p> <p>State</p>	<p>Pacific Ent 7-1-95 55952</p> <p>U.S.</p>	<p>Phillips 8-1-93 8647 5022 U.S.M.I. J.C. Mills (S)</p> <p>Phillips 4-1-96 66161 5792</p> <p>U.S.</p>	<p>Marato, et al 8-1-94 2982</p> <p>Pogo Prod. 8-1-92 56822</p> <p>Marato, et al 10-1-93 94766</p> <p>U.S.</p>	<p>Phillips HBP 4-882</p> <p>U.S.</p>	<p>Marato, inc. 85997</p> <p>U.S.</p>	<p>Mitchell Ener. 1-1-95 V-3190 20122</p> <p>State</p>	<p>State</p>
<p>Yates Per. et al 8-1-92 V-1124 9252</p> <p>"ARK"</p> <p>16</p> <p>"Kiwi - St." State 22</p>	<p>(Mobil) 27888</p> <p>Mercury Est. et al to 15.119</p> <p>State</p>	<p>Marato, inc. 1-1-95 85937 53022</p> <p>U.S.</p>	<p>Meridian 39154</p> <p>U.S.</p>	<p>(Pogo Prod.) MBR Reg. V2 59940</p> <p>23 442-74 J/O</p> <p>13</p> <p>U.S.</p>	<p>Pogo Prod. 4-788</p> <p>101800</p> <p>18</p>	<p>Pogo (Chevron) 24888</p> <p>17</p>	<p>Targa 76522 28283 665</p> <p>U.S. M.I. State 8</p>
<p>Wells Unit Cities Serv. A R Co's 8-1-92 77058</p> <p>U.S.</p>	<p>Exxon 9-1-93 77058 4522</p> <p>U.S.</p>	<p>Exxon 5-1-94 81272 5922</p> <p>U.S.</p>	<p>Prince, et al 6-1-94 81633 12522</p> <p>U.S.</p>	<p>Meridian 39154</p> <p>U.S.</p>	<p>C.W. Trainer 3-1-92 87088 44022</p> <p>U.S.</p>	<p>T.H. McEhain, Jr. 9-1-92 V-3007 7022</p> <p>U.S.</p>	<p>Collins & Stone 86597 91522</p> <p>U.S.</p>
<p>Getty Oil A R Co 8-1-92 77058</p> <p>U.S.</p>	<p>CNG Prod. 63877 12622 KGS</p> <p>U.S.</p>	<p>CNG Prod. 63876 12622 KGS</p> <p>U.S.</p>	<p>Exxon 5-1-94 81272 5922</p> <p>U.S.</p>	<p>Pogo Prod. HBP 2379</p> <p>U.S.</p>	<p>(Guil) (Arona) (Pogo Prod.) 21124-OR-1/16</p> <p>U.S.</p>	<p>Cal-Mon 2-1-95 V-0874 16122</p> <p>U.S.</p>	<p>Yates Per. et al 12-1-94 81276 5022</p> <p>U.S.</p>
<p>Yates Per. et al 9-1-94 50821 81279 5022</p> <p>U.S.</p>	<p>Yates Per. et al 9-1-94 50821 81279 5022</p> <p>U.S.</p>	<p>Yates Per. et al 9-1-94 50821 81279 5022</p> <p>U.S.</p>	<p>Yates Per. et al 9-1-94 50821 81279 5022</p> <p>U.S.</p>	<p>Yates Per. et al 9-1-94 50821 81279 5022</p> <p>U.S.</p>	<p>Yates Per. et al 9-1-94 50821 81279 5022</p> <p>U.S.</p>	<p>Yates Per. et al 9-1-94 50821 81279 5022</p> <p>U.S.</p>	<p>Yates Per. et al 9-1-94 50821 81279 5022</p> <p>U.S.</p>

BOOTLEG RIDGE NW. NM-35801

PROHIBITION UNIT MARALO (OPER.)

BOOTLEG RIDGE

BOOTLEG RIDGE W. NM-35793

C.W. Trainer NM-35793

Gulf 4-1-95 24888

Covington-Feo U.S.

C.W. Trainer 1-1-92 V-3322 23622

Mitchell Ener. 10-1-95 V-3527 70022

Yates Per. et al 12-1-95 V-3578 7622

MERIDIAN OIL INC.
APPLICATION FOR ADMINISTRATIVE APPROVAL
DOWNHOLE COMMINGLING
CHECKERBOARD '23' FEDERAL WELL NO. 3
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