

DISTRICT I  
P.O.Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-106  
Revised 4-1-91

OIL CONSERVATION DIVISION

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

ACT Permit No. \_\_\_\_\_

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator SOUTHLAND ROYALTY COMPANY

Address P.O. BOX 51810 MIDLAND, TEXAS 79710-1810 County MIDLAND

Lease(s) to be served by this ACT Unit FEDERAL '21' AND FEDERAL MA WELL NO(S) 9 & 10

Pool(s) to be served by this ACT Unit WEST CORBIN DELAWARE, SOUTH CORBIN WOLFCAMP, SOUTH CORIN BONE SPR

Location of ACT System: Unit K Section 21 Township 18S Range 33E

Order No. authorizing commingling between leases if more than one lease is to be served by this system.

PLC-98 Date 1/28/93

Order No. authorizing commingling between pools if more than one pool is to be served by this system

Date \_\_\_\_\_

Authorized transporter of oil from this system TX-NM PIPELIN COMPANY, P.O. BOX 2528 HOBBS, NM 88240

Transporter's address \_\_\_\_\_

Maximum expected daily through-put for this system: \_\_\_\_\_ Bbbls/day

If system fails to transfer oil due to malfunction or otherwise, waste by overflow will be averted by:

CHECK ONE: A.  Automatic shut-down facilities as required by Section (3) h-1 of "RULE 309-A" B.  Alternative (3) h-2, providing adequate available capacity to receive production during maximum unattended time of lease operation

If "A" above is checked, will flowing wells be shut-in at the header manifold or at the wellhead?

Maximum well-head shut-in pressure \_\_\_\_\_

If "B" above is checked, how much storage capacity is available above the normal high working level of the

surge tank 1200 BBLS.

What is the normal maximum unattended time of lease operation? 20 Hours.

What device will be used for measuring oil in this ACT unit?

CHECK ONE:  Positive displacement meter  Weir-type measuring vessel  Positive volume metering chamber  Other, describe \_\_\_\_\_

Remarks: ADDING THE FEDERAL MA # 10 TO THE EXISTING SYSTEM.

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge and subject ACT system will be installed and operated in accordance with Rule 309-A. Approval of this Form C-106 does not eliminate necessity of an approved C-104 prior to running any oil or gas from this system.

Signature [Signature]

Printed Name & Title DONNA WILLIAMS, PROD. ASST

Date 1/21/94 Telephone 915-688-6943

OIL CONSERVATION DIVISION

Approved by: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

INSTRUCTIONS: Submit 4 copies of Form C-106 with following attachments to appropriate district office. See Rule 309-A.

- 1) Lease plat showing all wells which will be produced in ACT system.
- 2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.
- 3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**BLM-CARLSBAD**

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM 0997
2. Name of Operator SOUTHLAND ROYALTY COMPANY	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. Box 51810 Midland, TX 79710      915-688-6943	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) BATTERY LOCATION: K, SEC. 21, T18S, R33E	8. Well Name and No. FEDERAL 21 2 BATTERY
	9. API Well No.
	10. Field and Pool, or Exploratory Area
	11. County or Parish, State LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <b>AMEND SURFACE</b>
	<b>COMMINGLING PERMIT</b>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)  
SOUTHLAND ROYALTY COMPANY RESPECTFULLY REQUESTS APPROVAL TO AMEND THE SURFACE COMMINGLING, MEASUREMENT APPROVAL, AND OFF-LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE WEST CORBIN DELAWARE, AND SOUTH CORBIN WOLFCAMP POOLS AND FURTHERMORE, ADD THE SOUTH CORBIN BONE SPRING POOL TO THE EXISTING ORDER FROM THE FEDERAL 21 COM LEASE (NM 0997), FEDERAL 21 LEASE (NM 61605), AND THE FEDERAL MA WELL NO. 9 AND OUR NEW WELL, THE FEDERAL MA # 10 (BONE SPRING PRODUCTION) (NM 0997)

SEE ATTACHED INFORMATION.

OPTIONAL FORM 99 (7-90)

**FAX TRANSMITTAL**

# of pages **one**

To <b>David Catanach</b>	From <b>Shannon Shaw</b>
Dept./Agency <b>NMOC D - S.F.</b>	Phone # <b>(505) 887-6544</b>
Fax # <b>(505) 827-5741</b>	Fax # <b>(505) 885-9264</b>

NSN 7540-01-317-7368      5098-101      GENERAL SERVICES ADMINISTRATION

14. I hereby certify that the foregoing is true and correct

Signed **Donna Williams** Title **PRODUCTION ASSISTANT** Date **1/21/94**

(This space for Federal or State office use)

Approved by **Adam Williams** Title **Petroleum Engineer** Date **2/2/94**  
Conditions of approval, if any:

**APPLICATION TO AMEND SURFACE COMMINGLING, AND MEASUREMENT APPROVAL FOR THREE POOLS .**

**TO: BUREAU OF LAND MANAGEMENT  
P.O. BOX 1778  
CARLSBAD, NEW MEXICO 88221-1778**

**MERIDIAN OIL INC. IS REQUESTING APPROVAL TO AMEND THE SURFACE COMMINGLING, OFF LEASE STORAGE, AND MEASUREMENT OF HYDROCARBON PRODUCTION FROM THE WEST CORBIN DELAWARE, SOUTH CORBIN WOLFCAMP, AND THE SOUTH CORBIN BONE SPRING TO A CENTRAL LOCATION AT THE FEDERAL '21' BATTERY LOCATED IN UNIT LETTER K, SEC. 21, T18S, R33E, IN LEA COUNTY, NEW MEXICO, LEASE NO: NM 0997**

<b>WELL NO:</b>	<b>SEC.</b>	<b>TWP</b>	<b>RNG</b>	<b>FORMATION</b>	<b>LEASE NO.</b>	<b>STATUS</b>
<b>FEDERAL 21 # 1</b>	<b>21</b>	<b>18S</b>	<b>33E</b>	<b>BONE SPRING</b>	<b>NM0997</b>	<b>SHUT IN</b>
<b>FEDERAL 21 # 2</b>	<b>21</b>	<b>18S</b>	<b>33E</b>	<b>WOLFCAMP</b>	<b>NM 0997</b>	<b>PROD.</b>
<b>FEDERAL 21 # 3</b>	<b>21</b>	<b>18S</b>	<b>33E</b>	<b>WOLFCAMP</b>	<b>NM 61605</b>	<b>PROD.</b>
<b>FEDERAL 21 # 4</b>	<b>21</b>	<b>18S</b>	<b>33E</b>	<b>DELAWARE</b>	<b>NM 61605</b>	<b>PROD.</b>
<b>FEDERAL MA # 9</b>	<b>21</b>	<b>18S</b>	<b>33E</b>	<b>WOLFCAMP</b>	<b>NM 0997</b>	<b>PROD.</b>
<b>FEDERAL MA # 10 *</b>	<b>21</b>	<b>18S</b>	<b>33E</b>	<b>BONE SPRING</b>	<b>NM 0997</b>	<b>PROD.</b>

**PRODUCTION FROM THE WELLS INVOLVED IS AS FOLLOWS:**

<b>WELL NAME AND NO.</b>	<b>BOPD</b>	<b>GRAVITY</b>	<b>MCF/PD</b>
<b>FEDERAL 21 #1</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>FEDERAL 21 # 2</b>	<b>20</b>	<b>40.3</b>	<b>95</b>
<b>FEDERAL 21 # 3</b>	<b>22</b>	<b>41</b>	<b>75</b>
<b>FEDERAL 21 # 4</b>	<b>02</b>	<b>38</b>	<b>20</b>
<b>FEDERAL MA # 9</b>	<b>68</b>	<b>40.6</b>	<b>465</b>
<b>FEDERAL MA # 10*</b>	<b>84</b>	<b>39</b>	<b>35</b>

**\* INDICATES NEW WELL AND FORMATION TO COMMINGLING ORDER**

**THE PROPOSED OPERATION IS DESCRIBED IN DETAIL ON THE ATTACHED DIAGRAM.**

**A MAP IS ENCLOSED SHOWING LOCATION OF ALL WELLS THAT WILL CONTRIBUTE PRODUCTION TO THE PROPOSED COMMINGLING/COMMON STORAGE FACILITY. ALL UNITIZED/COMMUNITIZED AREAS, PRODUCING ZONES/POOLS ARE ALSO CLEARLY ILLUSTRATED.**

**A SCHEMATIC DIAGRAM IS ALSO ATTACHED WHICH CLEARLY IDENTIFIES ALL EQUIPMENT THAT WILL BE UTILIZED.**

**THE STORAGE AND MEASURING FACILITY IS LOCATED AT UNIT LETTER K, SEC. 21, T18S, R33E OF LEASE NUMBER NM 0997, LEA COUNTY, NEW MEXICO. THE BLM WILL BE NOTIFIED IF THERE IS ANY FUTURE CHANGE IN THE FACILITY LOCATION.**

**DETAILS OF THE PROPOSED METHOD FOR ALLOCATING PRODUCTION TO CONTRIBUTING SOURCES IS AS FOLLOWS:**

<b>FEDERAL 21 # 2</b>	<b>PROD. TEST THRU TEST TREATER</b>
<b>FEDERAL 21 # 3</b>	<b>PROD. TEST THRU TEST TREATER</b>
<b>FEDERAL 21 # 4</b>	<b>PROD. TEST THRU TEST TREATER</b>
<b>FEDERAL MA # 9</b>	<b>PROD. TEST THRU TEST TREATER</b>
<b>FEDERAL MA # 10 *</b>	<b>PROD. TEST THRU TEST TREATER</b>

**THERE IS ALSO A LACT UNIT INSTALLED AT UNIT LETTER K, SEC. 21, T18S, R33E, LEA COUNTY, NEW MEXICO. SEE ATTACHED DIAGRAM.**

**THE BATTERY HAS A 3-PHASE PRODUCTION HEATER TREATER. THE FEDERAL 21 WELLS NO.(S) 2,3 & 4 ARE TIED INTO ONE TEST SEPARATOR WITH CAPABILITIES OF SEPARATELY MEASURING EACH WELL. THE FEDERAL MA # 9 & 10 WILL HAVE ITS OWN SEPARATOR. THESE ARE EQUIPPED WITH HALLIBURTON'S TURBINE FLOW METERS ON THE OIL DUMPS AND WATER DUMPS TO MEASURE THE OIL AND WATER DURING TEST PERIODS. EACH TEST TREATER IS EQUIPPED WITH AN ORIFICE TEST METER TO MEASURE THE GAS VOLUMES.**

**MERIDIAN IS 100% WORKING INTEREST OWNER FOR THIS LEASE.**

**THE PROPOSED COMMINGLING OF PRODUCTION IS IN THE INTEREST OF CONSERVATION AND WILL NOT RESULT IN REDUCED ROYALTY OR IMPROPER MEASUREMENT OF PRODUCTION.**

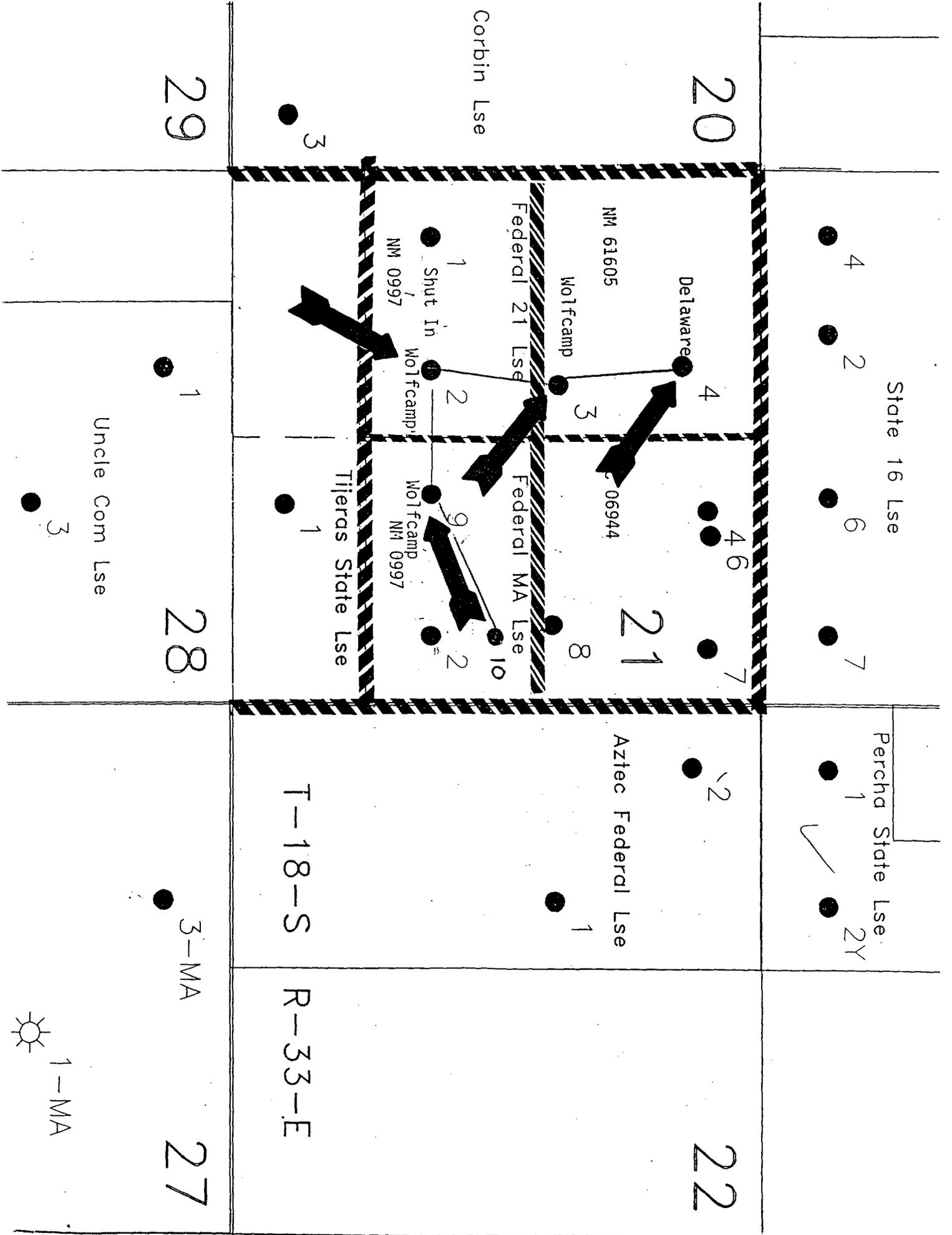
**THE PROPOSED COMMINGLING IS NECESSARY FOR CONTINUED OPERATION OF THE ABOVE REFERENCED FEDERAL LEASE.**

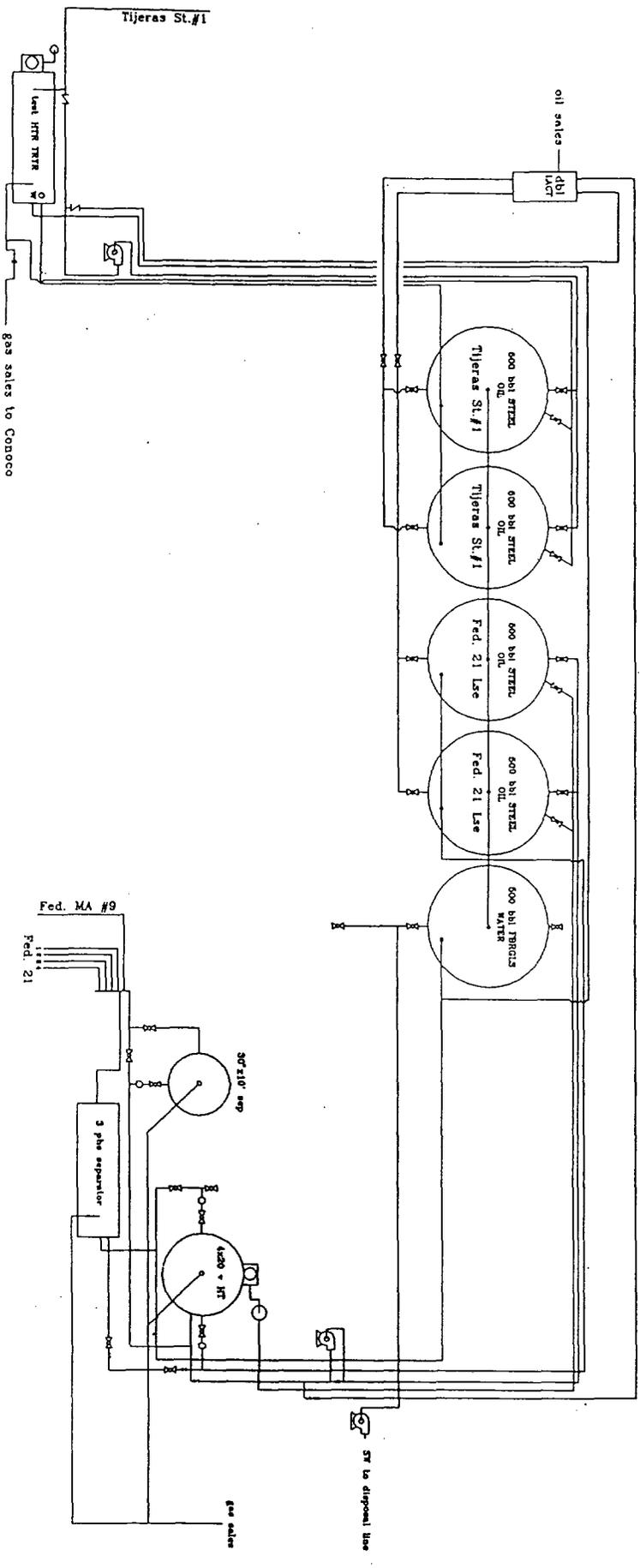
**ADDITIONALLY, WE REQUEST FOR OFF LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE FEDERAL 21, WELLS ON. 3 & 4 (NM 61605) TO THE FEDERAL 21, WELL NO. 2 (NM 0997), LOCATED IN UNIT LETTER K, SEC. 21, T18S, R33E, LEA COUNTY, NEW MEXICO. FURTHERMORE, WE REQUEST APPROVAL FOR OFF LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE FEDERAL MA # 9 & 10 (NM 0997) TO THE FEDERAL 21, WELL NO 2 (NM 0997) LOCATED IN UNIT LETTER K, SEC. 21, T18S, R33E, LEA COUNTY, NEW MEXICO.**

**WE UNDERSTAND THAT THE REQUESTED APPROVAL WILL NOT CONSTITUTE THE GRANTING OF ANY RIGHT OF WAY OR CONSTRUCTION RIGHTS NOT GRANTED BY THE LEASE INSTRUMENT. AND, WE WILL SUBMIT WITHIN 30 DAYS AN APPLICATION FOR RIGHT OF WAY APPROVAL TO THE BLM'S REALTY SECTION IN YOUR OFFICE IF WE HAVE NOT ALREADY DONE SO.**

**SIGNATURE:** \_\_\_\_\_  
**NAME:** \_\_\_\_\_  
**TITLE:** \_\_\_\_\_  
**DATE:** \_\_\_\_\_

\_\_\_\_\_





# MOI FEDERAL 21 BATTERY

Sec. 21 T-18-S R-33-E  
 Lea County, New Mexico

## REFERENCE DRAWINGS

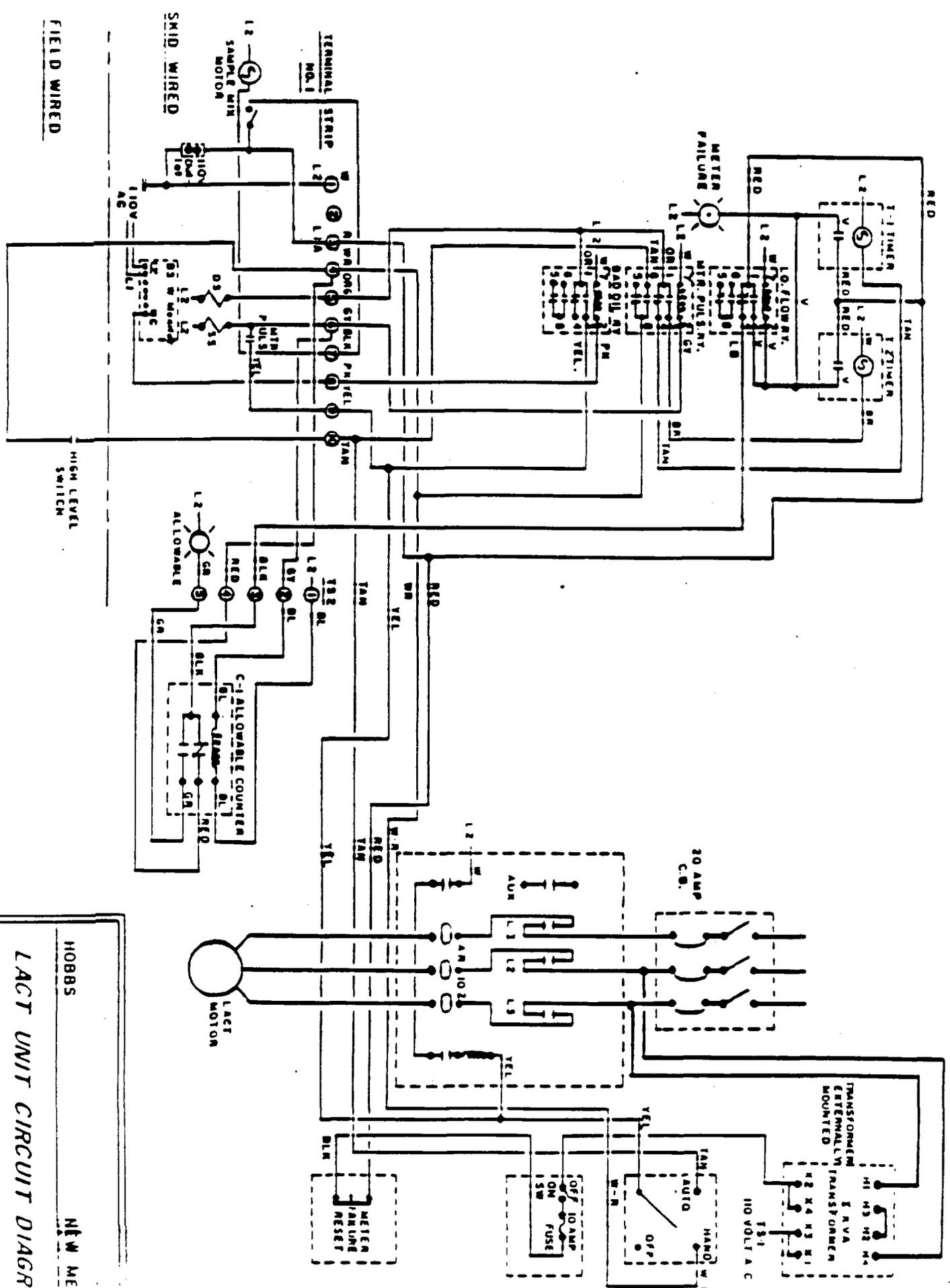
## REVISIONS

NO.	DATE	DESCRIPTION	BY	CHKD.

MERIDIAN OIL, INC  
 MIDLAND, TEXAS

DATE: 12/18/92  
 DRAWN BY: c:\acced1\hobbs\fed21.dwg  
 CHECKED BY: [blank]  
 FILED BY: [blank]





FIELD WIRED

HIGH LEVEL SWITCH

SKID WIRED

LACT MOTION

HOBBS  
 LACT UNIT CIRCUIT DIAGRAM  
 NEW MEXICO