

APPLICATION FOR SURFACE COMMINGLING, OFF LEASE STORAGE, AND MEASUREMENT APPROVAL FOR THE PROPOSED GILA 12 FEDERAL NO. 1 IN THE NORTHWEST POKER LAKE DELAWARE, SEC. 12, T24S, R30E, EDDY COUNTY, NEW MEXICO (NM 82896) TO THE POKER LAKE 18 FEDERAL NO. 1 BATTERY LOCATED IN SEC. 18, T24S, R31E, EDDY COUNTY, NEW MEXICO, NORTHWEST POKER LAKE DELAWARE FIELD, (NM 89819).

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

MERIDIAN OIL INC. IS RESPECTFULLY REQUESTING APPROVAL TO COMBINE PRODUCTION FROM THE PROPOSED GILA 12 FEDERAL WELL NO.1 TO THE POKER LAKE 18 FEDERAL NO. 1 BATTERY. BOTH LEASES ARE PRODUCING FROM THE NORTHWEST POKER LAKE DELAWARE FIELD.

POKER LAKE '18' FEDERAL LEASE

NM 89819

<u>WELL NO.</u>	<u>LOC.</u>	<u>SEC.</u>	<u>TWP.</u>	<u>RNG.</u>	<u>FORMATION</u>
1	F	18	24S	31E	DELAWARE

GILA 12 FEDERAL LEASE

NM 82896

1 (PRO)	P	12	24S	31E	DELAWARE
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PRODUCTION FROM THE WELLS INVOLVED IS AS FOLLOWS:

<u>WELL NAME AND NO.</u>	<u>BOPD</u>	<u>OIL GRAVITY</u>	<u>MCFPD</u>
POKER LAKE '18' FEDERAL # 1	18	42.0	20
GILA '12' FEDERAL # 1 (PRO)	50	42.0	70

PRODUCTION WILL BE INTO A COMMON TANK BATTERY LOCATED IN UNIT LETTER F, SEC. 18, T24S, R31E, EDDY COUNTY, NEW MEXICO. THERE ARE OTHER WELLS SCHEDULED TO BE DRILLED AND COMPLETED ON BOTH LEASES. THEREFORE, WE RESPECTFULLY REQUEST LEASE COMMINGLING APPROVAL FOR THE GILA '12' FEDERAL (NM 82896), NORTHWEST POKER LAKE AND THE POKER LAKE '18' FEDERAL LEASE (NM 89819), NORTHWEST POKER LAKE.

PRODUCTION WILL BE ALLOCATED BY WELL TESTS. GAS IS TO BE METERED.

MERIDIAN OIL INC. IS 100% WORKING INTEREST OWNER FOR BOTH LEASES.

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.

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:

DONNA WILLIAMS

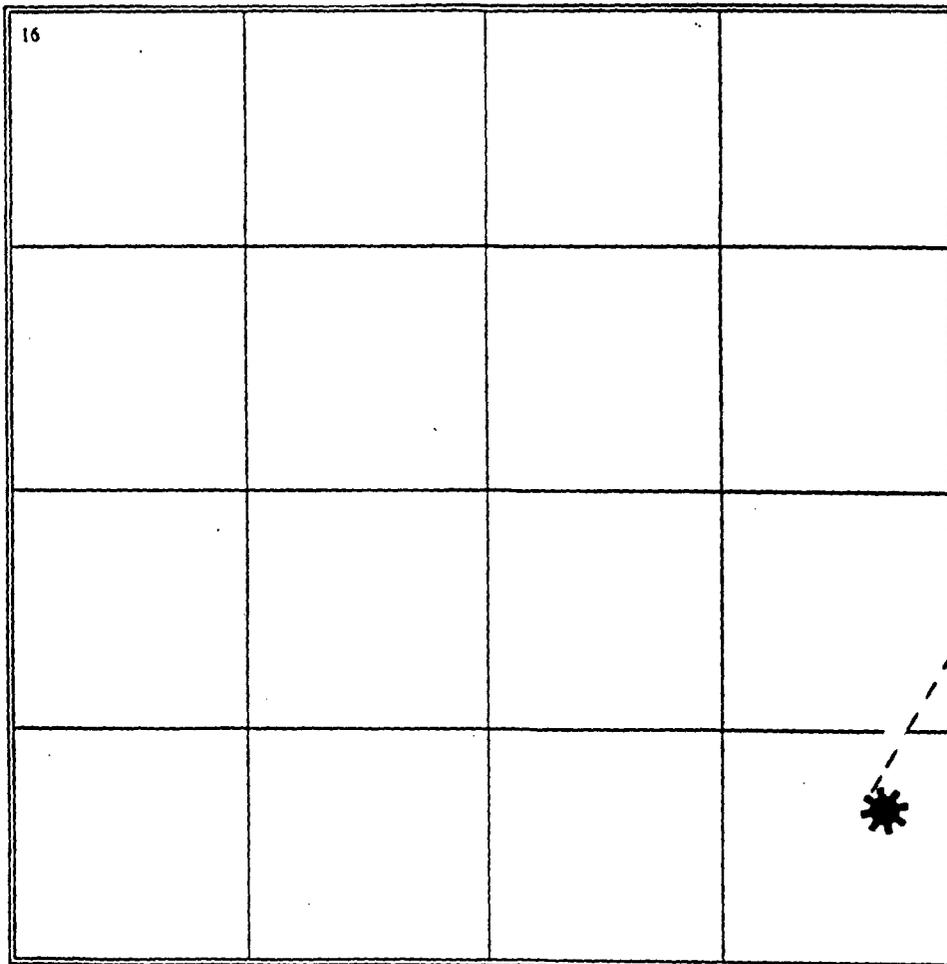
TITLE:

PRODUCTION ASSISTANT

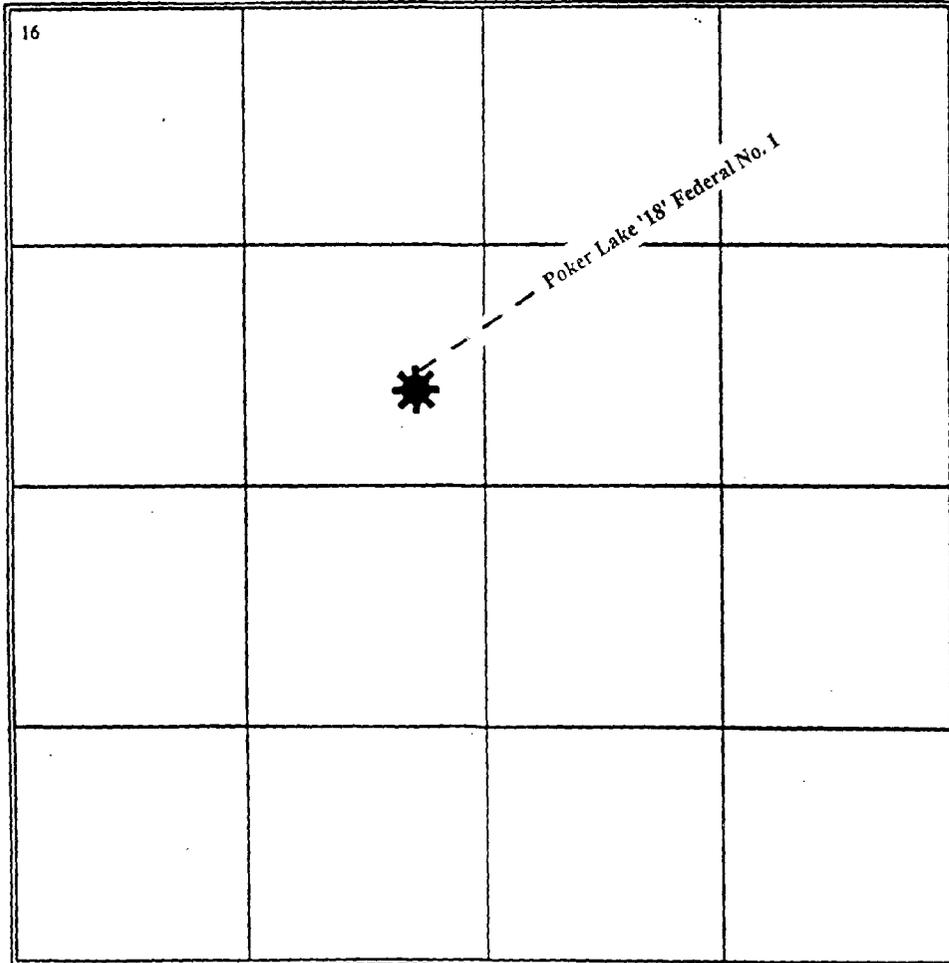
DATE:

OCTOBER 21, 1994

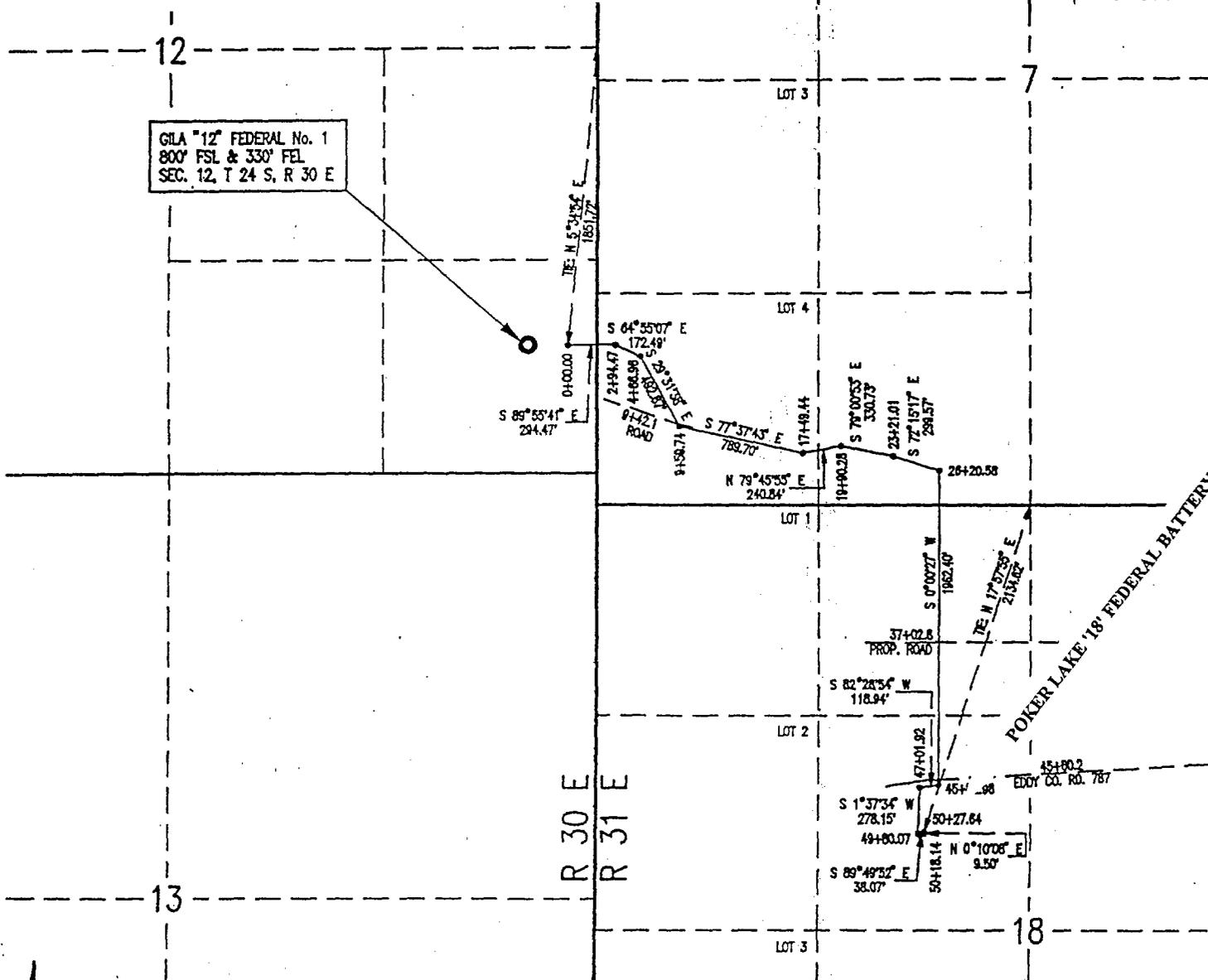
MERIDIAN OIL INC.
GILA '12' FEDERAL LEASE
NM 82896
SEC. 12, T24S, R30E
EDDY COUNTY, NEW MEXICO
880 ACRES



MERIDIAN OIL INC.
POKER LAKE '18' FEDERAL LEASE
NM 89819
SEC. 18, T24S, R31E
EDDY COUNTY, NEW MEXICO
647.88 ACRES



GILA "12" FEDERAL No. 1
800' FSL & 330' FEL
SEC. 12, T 24 S, R 30 E



LEGAL DESCRIPTION:

AN EASEMENT FOR A PROPOSED FLOWLINE LOCATED IN SECTION 12, TOWNSHIP 24 SOUTH, RANGE 30 EAST, AND SECTIONS 7 AND 18, TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO, SAID EASEMENT BEING FIFTY FEET WIDE AND BEING TWENTY FIVE FEET ON EITHER SIDE OF THE SURVEY CENTERLINE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

- BEGINNING AT A POINT FOR STATION 0+00.00 OF THIS SURVEY, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 12 BEARS N 5°34'54" E, 1851.72 FEET;
- THENCE S 89°55'41" E, AT 180.00 FEET CROSSING THE EAST LINE OF SAID SECTION 12 INTO SAID SECTION 7 FOR SURVEY STATION 1+80.00, A TOTAL DISTANCE OF 294.47 FEET TO A POINT FOR SURVEY STATION 2+94.47;
- THENCE S 64°55'07" E, 172.49 FEET TO A POINT FOR SURVEY STATION 4+66.96;
- THENCE S 29°31'38" E, AT 478.1 FEET CROSSING AN EXISTING ROAD FOR SURVEY STATION 9+42.1, A TOTAL DISTANCE OF 492.87 FEET TO A POINT FOR SURVEY STATION 9+50.83;
- THENCE S 77°37'45" E, 789.70 FEET TO A POINT FOR SURVEY STATION 17+40.44;
- THENCE N 79°45'55" E, 240.84 FEET TO A POINT FOR SURVEY STATION 19+90.28;
- THENCE S 79°00'53" E, 330.73 FEET TO A POINT FOR SURVEY STATION 23+21.01;
- THENCE S 72°15'17" E, 299.57 FEET TO A POINT FOR SURVEY STATION 26+20.58;
- THENCE S 0°00'27" W, AT 216.35 FEET CROSSING THE SOUTH LINE OF SAID SECTION 7 INTO SAID SECTION 18 FOR SURVEY STATION 28+34.93, AT 1082.2 FEET CROSSING A PROPOSED ROAD FOR SURVEY STATION 37+02.8, AT 1939.8 FEET CROSSING EDDY COUNTY ROAD 787 FOR SURVEY STATION 45+80.2, A TOTAL DISTANCE OF 1982.40 FEET TO A POINT FOR SURVEY STATION 45+82.98;
- THENCE S 82°28'54" W, 118.94 FEET TO A POINT FOR SURVEY STATION 47+01.92;
- THENCE S 1°37'34" W, 278.15 FEET TO A POINT FOR SURVEY STATION 49+80.07;
- THENCE S 89°49'52" E, 38.07 FEET TO A POINT FOR SURVEY STATION 50+18.14;
- THENCE N 0°10'08" E, 9.50 FEET TO POINT OF TERMINATION OF THE HEREIN DESCRIBED SURVEY CENTERLINE AT SURVEY STATION 50+27.64, FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 18 BEARS N 17°57'28" E, 2134.82 FEET;

SAID EASEMENT BEING 5027.84 FEET OR 304.71 ROODS OR 0.95 MILES IN LENGTH, SUCH LENGTH BEING ALLOCATED BY PORTIES AS FOLLOWS:

SE/4 of SE/4 SECTION 12	-	10.91	ROODS
LOT 4 SECTION 7	-	101.05	ROODS
SE/4 of SW/4 SECTION 7	-	59.98	ROODS
NE/4 of NW/4 SECTION 18	-	80.08	ROODS
SE/4 of NW/4 SECTION 18	-	52.71	ROODS
TOTAL	-	304.71	ROODS

NOTE - REVISIONS:
REVISED 8-19-94
CHANGED ALIGNMENT OF ROAD
AND FLOWLINE

I HEREBY CERTIFY THAT THIS SURVEY WAS MADE UNDER MY SUPERVISION AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

Laughlin-Simmons of Texas

MIDLAND DISTRICT OFFICE
(915) 699-1238
In State TOLL FREE 1-800-242-3028
P.O. BOX 1757
MIDLAND, TEXAS 79702



By: WILLIAM E. MAHINKE II, PLS #8466

MERIDIAN OIL INC.	
GILA "12" FEDERAL No. 1	
PROPOSED FLOWLINE EASEMENT	
SECTION 12, T 24 S, R 30 E, AND SECTIONS 7 & 18, T 24 S, R 31 E	
EDDY COUNTY, NEW MEXICO	
date: AUGUST 19, 1994	scale: 1"=1000'

POKER LAKE 18 FEB # /
 UNIT F - 1980' FWL, 2180' FWL
 SEC 18 - T24S - R31E
 Eddy Co., N.M.

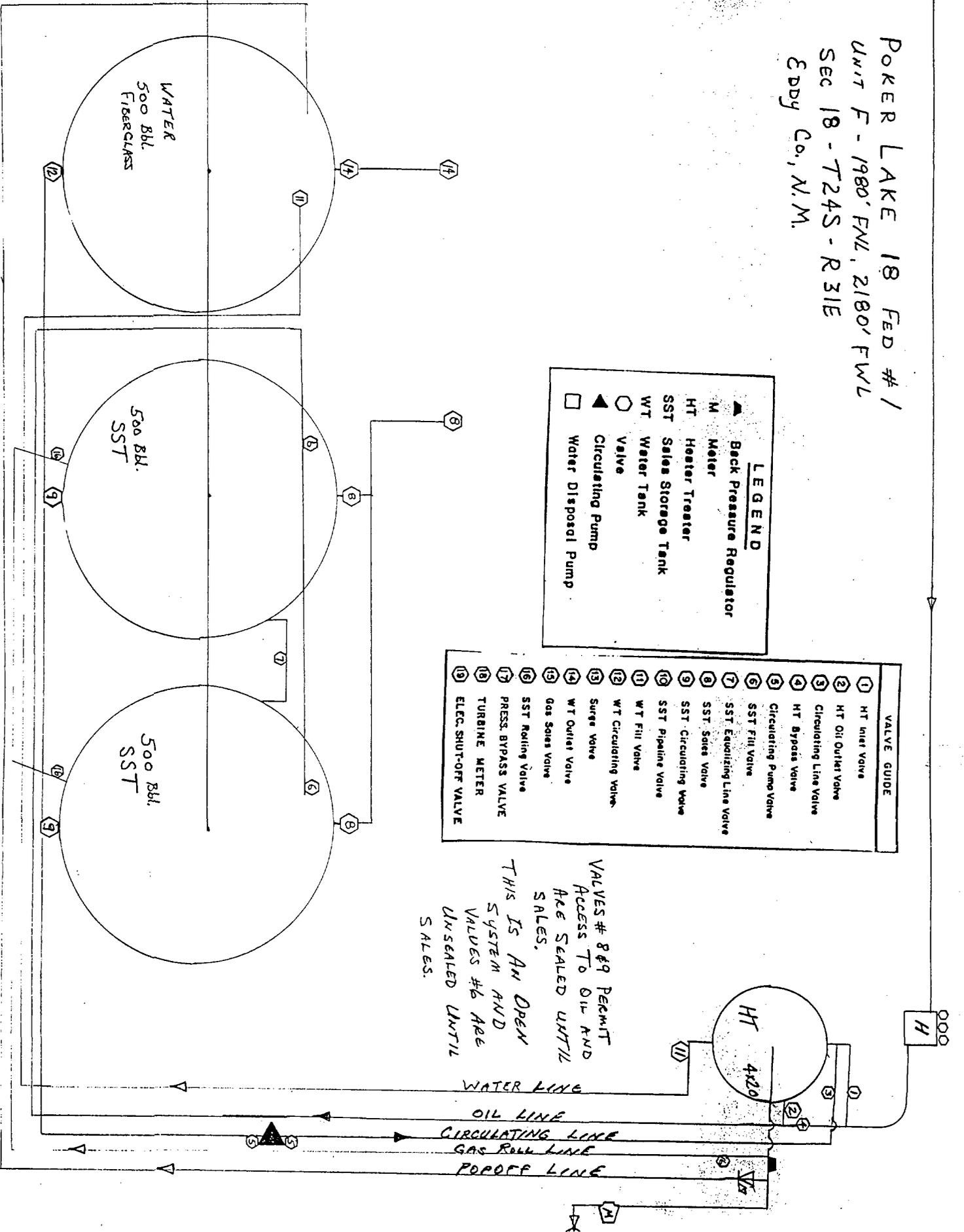
LOCATION OF SITE
 SECURITY PLAN:
 MERIDIAN OIL
 3300 N. A ST.
 BLDG 6
 MIDLAND, TEXAS
 79205

LEGEND

- ▲ Back Pressure Regulator
- M Meter
- HT Heater Treater
- SST Sales Storage Tank
- WT Water Tank
- Valve
- ◄ Circulating Pump
- ◻ Water Disposal Pump

VALVE GUIDE

1	HT Inlet Valve
2	HT Oil Outlet Valve
3	Circulating Line Valve
4	HT Bypass Valve
5	Circulating Pump Valve
6	SST Fill Valve
7	SST Equalizing Line Valve
8	SST Sales Valve
9	SST Circulating Valve
10	SST Pipeline Valve
11	WT Fill Valve
12	WT Circulating Valve
13	Surge Valve
14	WT Outlet Valve
15	Gas Sales Valve
16	SST Rolling Valve
17	PRESS. BYPASS VALVE
18	TURBINE METER
19	ELEC. SHUT-OFF VALVE



VALVES # 8 & 9 PERMIT
 ACCESS TO OIL AND
 ARE SEALED UNTIL
 SALES.
 THIS IS AN OPEN
 SYSTEM AND
 VALVES # 6 ARE
 UNSEALED UNTIL
 SALES.

10/21/94
10 8 52

October 21, 1994

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

RE: Application for Off-Lease Storage
Poker Lake '18' Federal Lease (NM 89819)
(Pro) Gila '12' Federal Lease (NM 82896)
Eddy County, New Mexico

Mr. Catanach:

Meridian Oil Inc. respectfully requests approval to combine production from the above referenced leases into a common tank battery located on the Poker Lake '18' Federal Lease (NM 89819) located in Sec. 18, T24S, R31E, Eddy County, New Mexico.

POKER LAKE '18' FEDERAL LEASE

Poker Lake '18' Federal # 1

F, 1980' FNL & 2180' FWL

(PRO) GILA '12' FEDERAL LEASE

(Pro) Gila '12' Federal # 1

P, 800' FSL & 330' FEL

Due to future drilling on both leases, we are asking for lease commingling in the Northwest Poker Lake Delaware Field, Eddy County, New Mexico.

Proposed production is as follows:

<u>WELL NAME</u>	<u>BOPD</u>	<u>OIL GRAVITY</u>	<u>MCFPD</u>	<u>FORMATION</u>
Poker Lake '18' Federal # 1	20	40.6	25	Delaware
(Pro) Gila '12' Federal # 1				

A map is enclosed showing the leases(s) and location of all wells that will contribute production to the proposed commingling/common storage facility.

The storage and measuring facility is located in the SE/NW of Sec. 18, T 24S, R31E, Eddy County, New Mexico. The oil production will be allocated by well tests. The gas will be metered at the Gila '12' Federal location prior to leaving the lease to the sales meter located at the Poker Lake '18' Federal battery.

Meridian owns 100% of both leases. This application is in the interest of conservation and in no way will reduce the quality of the hydrocarbon nor will result in improper measurement of production. The proposed commingling is necessary for continued operation of the above leases.

Please find attached a copy of the application submitted to the Bureau of Land Management.

Sincerely,



Donna J. Williams
Regulatory Assistant

CTB-401

ST

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS. COMMISSION
FORM APPROVED

Drawer Budget Bureau No. 1004-0135
Expires: 08/31/1993

5. Lease Designation and Serial No.
NM 89819

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	6. If Indian, Allottee or Tribe Name 52
2. Name of Operator MERIDIAN OIL INC.	7. If Unit or CA, Agreement Designation
3. Address and Telephone No. P.O. Box 51810, Midland, TX 79710-1810 915-688-6943	8. Well Name and No. POKER LAKE '18' FEDERAL
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SEC. 18, T24S, R31E	9. API Well No.
	10. Field and Pool, or exploratory Area NORTHWEST POKER LAKE DEL
	11. County or Parish, State EDDY 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 type="checkbox"/> Other <u>COMMINGLING REQUEST</u>
	<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.)*

MERIDIAN OIL INC. RESPECTFULLY REQUEST APPROVAL TO COMMINGLE THE PRODUCTION FROM THE POKER LAKE '18' FEDERAL LEASE (NM 89819) WITH THE PROPOSED GILA '12' FEDERAL LEASE (NM 82896). WE ARE REQUESTING APPROVAL FOR SURFACE COMMINGLING, OFF LEASE STORAGE AND MEASUREMENT OF HYDROCARBON PRODUCTION FROM THE NORTHWEST POKER LAKE DELAWARE FIELD.



14. I hereby certify that the foregoing is true and correct
Signed [Signature] Title PRODUCTION ASSISTANT Date _____

(This space for Federal or State office use)
Approved by Orig. Signed by [Signature] Title [Signature] Date 12/1/94
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

NM OIL CONS COMMISSION
Drawer DD
Artesia, NM 88210
FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NM 82896

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
GILA 12 FEDERAL NO. 1

9. API Well No.

10. Field and Pool, or exploratory Area
NORTHWEST POKER LAKE

11. County or Parish, State
EDDY NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MERIDIAN OIL INC.

3. Address and Telephone No.
P.O. Box 51810, Midland, TX 79710-1810 915-688-6943

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC. 12, T24S, R30E

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 COMMINGLING REQUEST
	<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.)*

MERIDIAN OIL INC. RESPECTFULLY REQUEST APPROVAL TO COMMINGLING THE PRODUCTION FROM THE GILA 12 FEDERAL LEASE (NM82896) WITH THE POKER LAKE '18' FEDERAL LEASE (NM89810). WE ARE REQUESTING APPROVAL FOR SURFACE COMMINGLING, OFF LEASE STORAGE, AND MEASUREMENT OF HYDROCARBON PRODUCTION FROM THE NORTHWEST POKER LAKE DELAWARE FIELD.

RECEIVED
EB 23 1995
CON. DIV.
DIST. 2

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

Signed [Signature] Title REGULATORY ASSISTANT Date 12/7/94

(This space for Federal or State office use)

Approved by Orig. Signed by A. J. [Signature] Title [Signature] Date 2/15/95

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated, on Federal and Indian lands pursuant to applicable Federal law and regulations, and, if approved or accepted by any State, on all lands in such State, pursuant to applicable State law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

SPECIFIC INSTRUCTIONS

Item 4 - If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by local Federal and/or State offices. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well; and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et. seq., 25 U.S.C. et. seq.; 43 CFR 3160.

PRINCIPAL PURPOSE - The information is to be used to evaluate, when appropriate, approve applications, and report completion of secondary well operation, on a Federal or Indian lease.

ROUTINE USES:

- (1) Evaluate the equipment and procedures used during the proposed or completed subsequent well operations.
- (2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2(2).
- (3) Analyze future applications to drill or modify operations in light of data obtained and methods used.
- (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION - Filing of this notice and report and disclosure of the information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected in order to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

This information will be used to report subsequent operations once work is completed and when requested, to obtain approval for subsequent operations not previously authorized.

Response to this request is mandatory only for the specific types of activities specified in 43 CFR Part 3160.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503.