

MERIDIAN OIL

226
OIL CONSERVATION DIVISION
RECEIVED

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July 24, 1992

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Attn: Mr. David Catanach, Engineer
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-1148

RE: AMENDMENT TO APPLICATION FOR LEASE COMMINGLING
EXCEPTION TO SWR-309-B (LETTER DATED 7-13-92)
REQUEST OFF LEASE STORAGE APPROVAL
EXCEPTION TO SWR-309-C
FOR THE TONTO 14 STATE LEASE LG-2730
TO THE TONTO 15 STATE LEASE LG-2731
NOTICE OF INTENT TO UTILIZE AUTOMATIC
CUSTODY TRANSFER EQUIPMENT FILED
THRU OCD-HOBBS OFFICE

Dear Mr. Prando:

Recently I mailed you the captioned request for application to lease commingle and for approval for off-lease storage. The two leases to be commingled are:

LEASE NAME: TONTO 14 STATE LEASE (LG-2730)
DESCRIPTION: N/2 AND SW/4 OF SEC. 14, T18S, R34E
WELLS NO'S 1-L, #2-K, #3-E

LEASE NAME: TONTO 15 STATE LEASE (LG-2731)
DESCRIPTION: N/2 AND SE/4 OF SEC. 15, T18S, R34E
WELLS NO'S 1-L, #2-H
BATTERY LOCATED IN UNIT LETTER I
LEA COUNTY, NEW MEXICO

I am correcting my previous statement made on letter dated 7-13-92 for the working Interest Owners. Southland Royalty Co. has .50% Working Interest and Mobil Producing TX and NM Inc. has .50% Working Interest. Mobil has been notified of this intent and has approved. Royalty Interest and overriding royalty ownership are identical for both leases.

Should you have any questions, please contact me at A/C 915-688-6906.

Sincerely,



Maria L. Perez
Prod. Asst.

xc: Mr. Floyd O. Prando
Office of the Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Texas-New Mexico Pipeline Co.
P.O. Box 2528
Hobbs, NM 88241-2528

Brett Adams
Well Files
Don McBee
Land (2)
Jt. Interest
Resv. Engineer
Prod. Engineer
Hobbs Field Office
Richard Atchley
Roxann Scholz
Reading File
Regulatory File

07/28/92
INQUIRE

J-I-B SCHEDULE

LWR270NL
<WELLSTAT>

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CO-OWNER	BILLING %	TOTAL %
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100796 MOBIL PRODUCING TX & NM INC	50.000000	
999991 SOUTHLAND ROYALTY CO	50.000000	

		100.000000
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State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

JIM BACA
COMMISSIONER

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

July 24, 1992

Meridian Oil
P. O. Box 51810
Midland, Texas 79705-5406

Attn: Ms. Maria L. Perez

Re: Application For Lease Commingling & Off Lease Storage
Tonto 14 State Lease (LG-2730)
Tonto 15 State Lease (LG-2731)
Lea County, New Mexico

Dear Ms. Perez:

This office is in receipt of your letter of July 13, 1992 requesting approval to commingle the production from the Tonto 14 State Lease LG-2730 and the Tonto 15 State Lease LG-2731.

According to the information provided the Tonto 14 State Well Nos. 1-L, 2-K and 3-E, Sec. 14-18S-34E, will be commingled with production from the Tonto 15 State Lease Well Nos. 1-I and 2-H, Sec. 15-18S-34E. It is our understanding that the above mentioned wells are producing from the Airstrip Bone Spring Field and that all production will be stored in a common tank battery located in Unit I, Sec. 15-18S-34E.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling and off-lease storage operations is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File
OCD ✓



MERIDIAN OIL

OIL CONSERVATION DIVISION
CL 12

1992 JUL 21 PM 9 02

July 13, 1992

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Attn: Mr. David Catanach, Engineer
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87504-1148

RE: APPLICATION FOR LEASE COMMINGLING
EXCEPTION TO SWR-309-B
REQUEST OFF LEASE STORAGE APPROVAL
EXCEPTION TO SWR-309-C
FOR THE TONTO 14 STATE LEASE LG-2730
TO THE TONTO 15 STATE LEASE LG-2731
NOTICE OF THE INTENT TO UTILIZE AUTOMATIC
CUSTODY TRANSFER EQUIPMENT BEING
FILED THRU OCD-HOBBS

Dear Mr. Prando:

Southland Royalty Company hereby requests approval to commingle the Tonto 14 State Lease LG-2730 and the Tonto 15 State Lease LG-2731. All the wells on both leases produce from the Airstip Bone Spring North Field.

LEASE NAME: TONTO 14 STATE LEASE (LG-2730)
DESCRIPTION: N/2 AND SW/4 OF SEC. 14, T18S, R34E
WELLS NO'S 1-L, #2-K, #3-E

LEASE NAME: TONTO 15 STATE LEASE (LG-2731)
DESCRIPTION: N/2 AND SE/4 OF SEC. 15, T18S, R34E
WELLS NO'S 1-I, #2-H
BATTERY LOCATED IN UNIT LETTER I
LEA COUNTY, NEW MEXICO

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. Southland is 100% working interest owner on both leases. All commingled production has identical royalty interest and overriding royalty ownership: See attached list.

Mr. David Catanach
Application for Lease Commingling
Page 2

All production will be stored in a common tank battery located in Unit letter I, Section 15, T18S, R34E.

The following is the individual well production:

TONTO 14 STATE #1	40	BOPD,	0	BWPD,	20	MCFPD
#2	16	BOPD,	0	BWPD,	8	MCFPD
#3	<u>6</u>	BOPD,	<u>0</u>	BWPD,	<u>1</u>	MCFPD
	62		0		29	

TONTO 15 STATE #1	6	BOPD,	4	BWPD,	5	MCFPD
#2	<u>62</u>	BOPD,	<u>5</u>	BWPD,	<u>80</u>	MCFPD
	68		9		85	

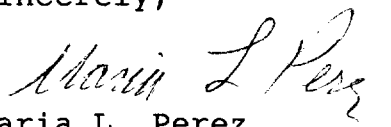
Currently the tanks for both leases are physically back-to-back sharing the same location in UL-I, Sec. 15, T18s, R34E. The water tank was destroyed on the Tonto 15 State side. We can avoid buying a new water tank by commingling production.

We plan to have on metered "test" heater treater and one "common" heater treater all dumping to the same tanks. We also plan to install a LACT unit because we are pipeline connected. Operationally this commingling will save money and time.

There is no profit or loss economic analysis to the State. There will be no variation on oil price either before or after commingling as all wells are in the same field and reservoir and gravities are the same for all wells (41° to 42°).

Please call me if you require additional information in order to approve this application.

Sincerely,


Maria L. Perez
Production Asst.

MLP/sm

Mr. David Catanach
Application for Lease Commingling
Page 3

xc: Mr. Floyd O. Prando
Office of the Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Texas-New Mexico Pipeline Co.
P. O. Box 2528
Hobbs, NM 88241-2528

Brett Adams - Facilities Engineer
Well Files
Don McBee
Land (2)
Jt. Interest
Resv. Engineer
Prod. Engineer
Hobbs Field Office
Richard Atchley
Roxann Scholz
Reading File
Regulatory File

**COMMISSIONER OF PUBLIC LANDS****JIM BACA****P.O. BOX 1148****SANTA FE, NEW MEXICO 87504-1148****COMMINGLE PRE-APPLICATION**

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

APPLICATION FOR LEASE COMMINGLING
EXCEPTION TO SWR-309-B
REQUEST OFF-LEASE STORAGE APPROVAL
EXCEPTION TO SWR-309-C
FOR THE TONTO 14 STATE LEASE LG-2730
TO THE TONTO 15 STATE LEASE LG-2731

LEASE NAME: TONTO 14 STATE LEASE LG-2730
DESCRIPTION: N/2 and SW/4 OF SEC. 14, T-18-S
R-34-E, LEA COUNTY, N.M.

LEASE NAME: TONTO 15 STATE LEASE LG-2731
DESCRIPTION: N/2 and SE/4 OF SEC. 15, T-18-S
R-34-E, LEA COUNTY, N.M.
BATTERY LOCATED IN UNIT LETTER I

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
TONTO 14	STATE	SOUTHLAND ROYALTY COMPANY	LG-2730	BONE SPRING
#1	L	"	"	" "
#2	K	"	"	" "
#3	E	"	"	" "
TONTO 15	STATE	"	LG-2731	BONE SPRING
#1	I	"	"	" "
#2	H	"	"	" "

NAME: MARIA L. PEREZ, PRODUCTION ASST.

COMPANY: SOUTHLAND ROYALTY COMPANY

PHONE NUMBER: A/C 915-688-6906

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION (505) 827-5711.

MIN-06-04-91

07/07/92

RELATED DIVISION ORDERS

LWM600NL

<LANDWELL>

WELL NO: 1061

NAME: TONTO 14 STATE

FORM: BONE SPRINGS

DO#	V	COMPANY	PROD	PROPERTY	PROPERTY NAME	EFF DATE	INTEREST
80092500	Y	01 SRC-USA	OIL	050149600	TONTO 14#1,2,3&1	06/08/85	100.000000
80536900	Y	01 SRC-USA	GAS	050149600	TONTO 14#1,2,3&1	07/19/85	100.000000

MOVE CURSOR+ENTER=INQUIRE ENTER=MORE PFX=DETAIL SCREEN PF12=MENU PF24=HELP
4B Aa B0--SESSION1 R 2 C 3 o-o13 11:28 7/07/92

07/07/92 12:33:35.8

DIVISION ORDER INQUIRY

LWM601NL

<LANDWELL

DO#: 80092500 CO: 01 SRC-USA
WELL: 1061 TONTO 14 STATE

PROD: OIL PROPERTY: 050149600
FORMATION: BONE SPRINGS

OWNER#	OWNER NAME	RE PAY	REASON FOR SUSP	B/C TYPE	OWNER #
001473 09	MOBIL PRODUCING TEXAS &	A PAY		NWI	43.750000
038375 01	STATE OF NEW MEXICO	A PAY		001 RI	12.500000
999001 01	SOUTHLAND ROYALTY CO	A PAY		NWI	43.750000

ENTER=MORE PFX=DETAILS PF9=D/O LIST PF11=TOP OF LIST PF12=MENU PF24=HELP
4B Aa B0--SESSION1 R 1 C 1 o-o13 11:29 7/07/92

07/07/92 12:35:42.8

DIVISION ORDER INQUIRY

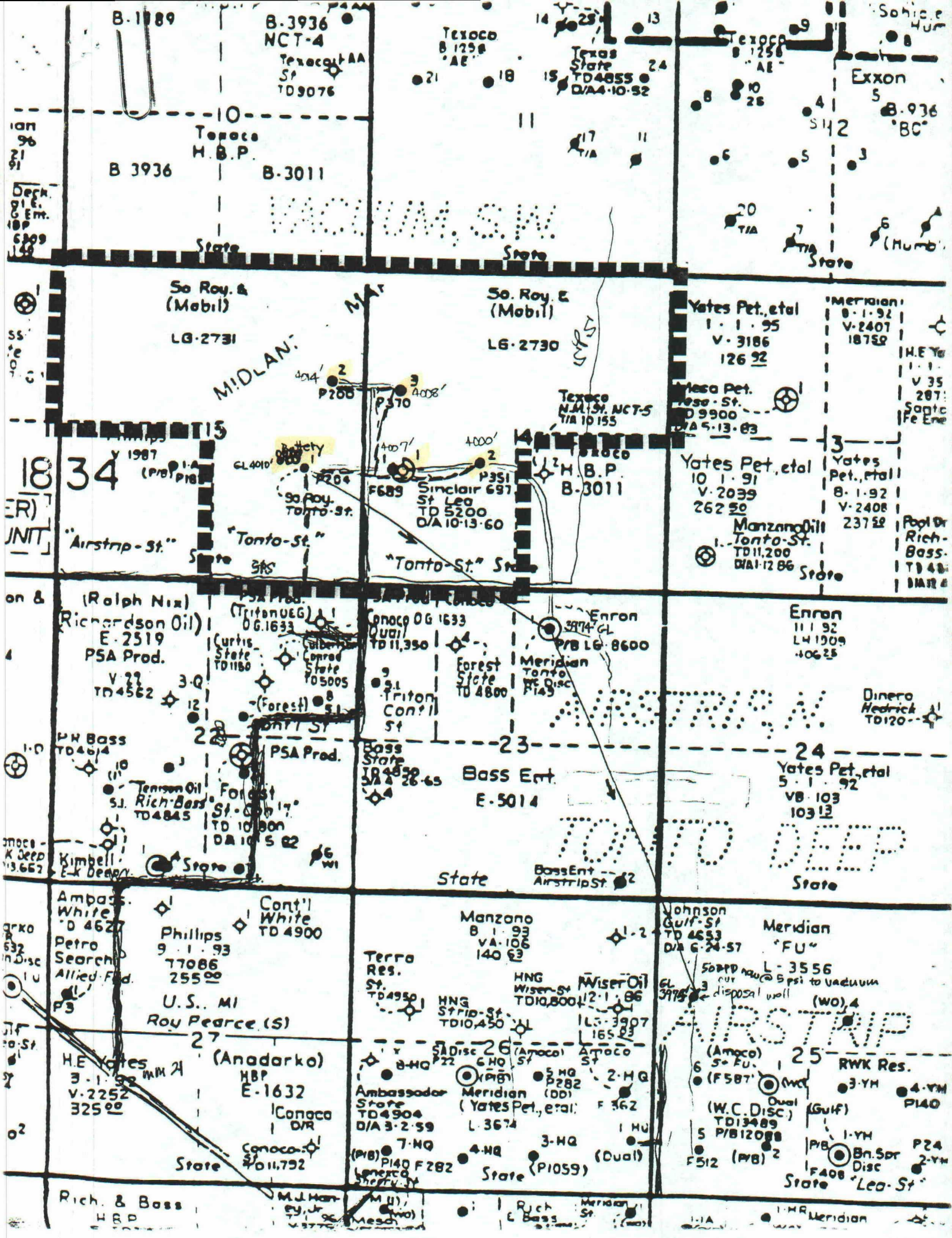
LWM601NL
<LANDWELL>

DO#: 80017600 CO: 01 SRC-USA
WELL: 75294 TONTO 15 STATE

PROD: OIL PROPERTY: 050149600
FORMATION: BONE SPRINGS

OWNER#	OWNER NAME	RE PAY	REASON FOR SUSP	B/C	TYPE	OWNER #
038375 01	STATE OF NEW MEXICO	A PAY		001	RI	12.500000
038913 01	MOBIL PRODUCING TEXAS &	A PAY			NWI	43.750000
999001 01	SOUTHLAND ROYALTY CO	A PAY			NWI	43.750000

ENTER=MORE PFX=DETAILS PF9=D/O LIST PF11=TOP OF LIST PF12=MENU PF24=HELP
4B Aa B0--SESSION1 R 1 C 1 o-o13 11:31 7/07/92



B-1989

B-3936

NCT-4

Texas AA

SP

TD9076

Texas B-1258

AE

Texas State

TD4855

D/A4-10-52

Texas B-1258

AE

Exxon

B-936

BC

B 3936

B-3011

Texas H.B.P.

State

State

State

So Roy. & (Mobil)

LG-2731

So Roy. & (Mobil)

LG-2730

Yates Pet., etal

1-1-95

V-3186

126 92

Meridian

8-1-92

V-2401

18752

Mesa Pet.

1-1-95

D-9900

D/A 5-13-83

Yates Pet., etal

10-1-91

V-2039

262 50

Yates Pet., etal

8-1-92

V-2408

237 52

Manzano Oil

1-1-92

TD11,200

D/A 12-86

State

Pool Dr

Rich-

Bass-

TD 48-

D/A 12-86

18 34

UNIT

(Ralph Nix) Richardson Oil

E-2519

PSA Prod.

V-22

TD4562

(Triton UEG)

OG-1633

Curtis State

TD1180

Conoco OG 1633

OG-1633

TD11,350

Forest State

TD 4800

Enron

3974 GL

P/B LG-8600

Meridian

TD 149

Enron

11-1-92

LH 1909

406 25

Dinero

Hedrick

TD120-

Bass Ent.

E-5014

Yates Pet., etal

5-1-92

VB 103

103 12

State

Ambass. White

TD 4627

Petro Search

Allied-Fid.

Phillips

9-1-93

77086

255 00

U.S. MI

Roy Pearce (S)

Cont'l White

TD 4900

Manzano

B-1-93

VA-106

140 63

Terra RES.

TD4950

HNG

STRIP-ST.

TD10,450

HNG

WISER-Oil

TD10,800

12-1-96

165 83

Johnson

Gulf-St

TD 4653

D/A 6-24-57

Meridian

"FU"

L-3556

(WO) 4

SOPTD nava 5 psi to vacuum

disposal well

(Amoco)

5-FU

TD13489

5 P/B12088

F512 (P/B) 2

State

"Lea-St"

Rich. & Bass

HBP

Rich

E Bass

Meridian

St

1-MR

Meridian

TEXAS-NEW MEXICO PIPE LINE COMPANY

DOUGLAS D. BEU
ASSISTANT DISTRICT MANAGER

PO BOX 2528
HOBBS NM 88241-2528
505-898-2185

July 17, 1992

Mr. Jerry Sexton
New Mexico Oil Conservation Division
PO Box 1980
Hobbs NM 88240

Re: Meridian Oil Inc. - Tonto 14 & 15
Unit 1, S15, T18S, R34E
Lea County, New Mexico
LACT Facility Approval


Dear Mr. Sexton:

Meridian Oil Inc. has advised us they plan to apply for permission to install and operate a LACT unit on the following lease.

Tonto 14 & 15
Unit 1, S15, T18S, R34E
Lea County, New Mexico

Texas-New Mexico Pipe Line Company will gather the production from this facility and supports the operator's application for a LACT unit. Please direct any correspondence regarding this unit to this office.

Sincerely,



JTJ:JJ

xc: Chrono
File