

MERIDIAN OIL

April 21, 1988

Mr. Frank Chavez
State of New Mexico
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Dear Mr. Chavez:

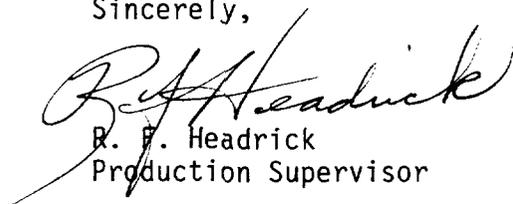
I am requesting that the following well be approved for surface commingle of liquids. Both formations will be tanked in one tank on location. The interest is the same in both formations. This well is a Southland Royalty well.

Below are the explanations to justify the need for surface commingling of liquids produced from this well.

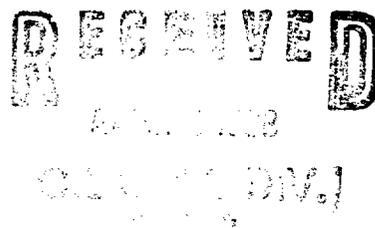
East #10 (Basin Dakota-Blanco Mesaverde) (E) Section 26, T31N, R12W

East #10 (Dakota) produced 356 days in 1987 and averaged 62 MCF/day. East #10 (Mesaverde) produced 357 days in 1987 and averaged 63 MCF/day. Total oil production for both zones for the year of 1987 was 172 bbls. Our records already have this split out as 45% Dakota oil and 55% Mesaverde oil from previous tests. (Reference PC Order #688 dated 1/25/85) As you can see from the 1987 production records it would not be cost effective to produce condensate into two separate tanks.

Sincerely,


R. F. Headrick
Production Supervisor

RFH/ldk
007



MERIDIAN OIL

635
MAY 31 1988
DIVISION

May 27, 1988

**State of New Mexico
Oil & Gas Division
P. O. Box 2088
Santa Fe, New Mexico 87501**

Attention: Mr. David Catanach

Dear Mr. Catanach:

In reference to our telephone conversation on May 19, 1988, we are providing the information you requested for the Southland Royalty wells. We hope you find this information satisfactory. If you have any questions, please give me a call at 505-326-9817.

Sincerely,

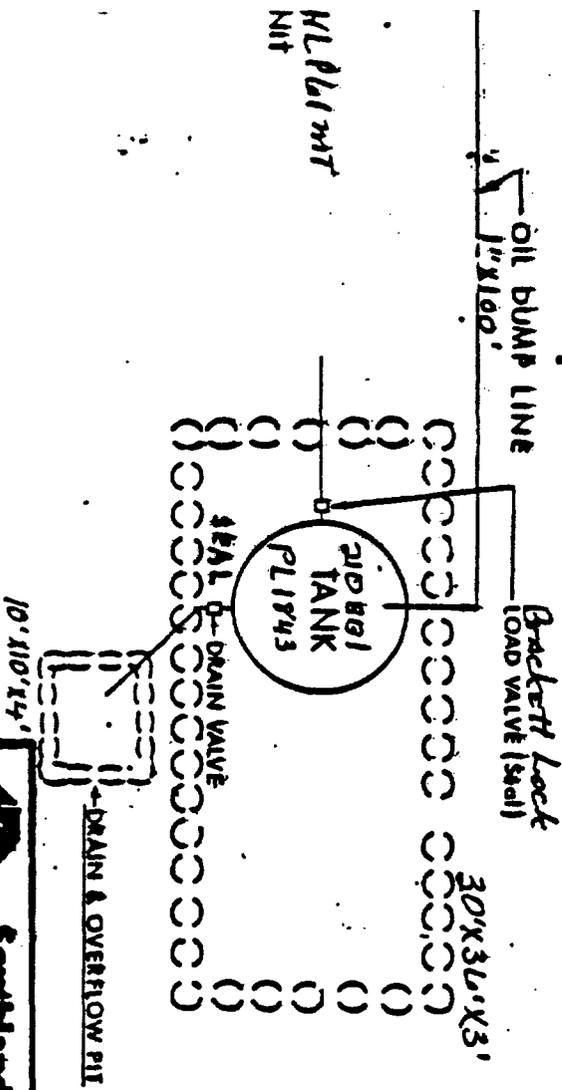
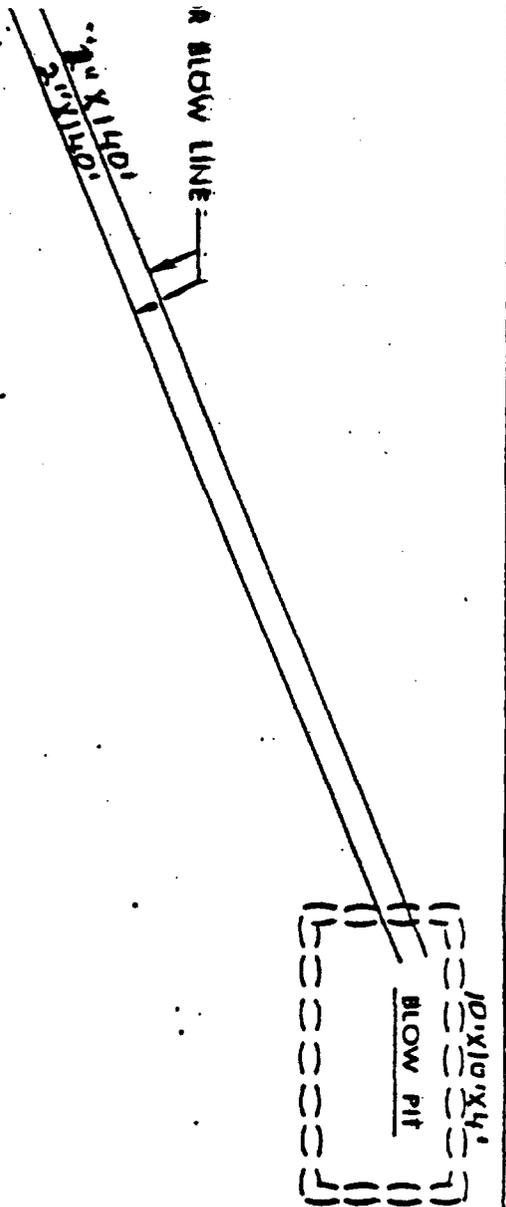
Ron Headrick by RK

**Ron Headrick
Production Foreman**

RH/1k

Enclosure

	<u>Gravity</u>
Decker #2	57.4
Decker #4	59.4
East #5	62.9
East #10	55.0
Grenier A #3	61.3
Hare #14	56.9
Hare #16	56.7
Hare #18	58.4
Hedges #2	61.0
Hubbard #2	56.1
Hubbard #4	60.2
Jicarilla 101 #7	64.0
McClanahan #18	49.0
Moore #1	57.8
Nye #3A	57.1
Oliver #1	59.4
Patterson ACom #1	58.5
Reid #20	52.8
Richardson #5	58.1
Richardson #6	54.7
Thompson #5	53.5
Thompson #7	55.3



HL Plant
MIT

McLanahan # 18
A Sec 13 T28N R10W T7M1M
990N - 790'E
San Juan Co. N.M.
82-079634



Southland Royalty Company
FARMINGTON DISTRICT
MEMBER OF THE SOUTHWESTERN ENERGY GROUP

SITE SECURITY
DIAGRAM

SAN JUAN BASIN
NEW MEXICO

No. 1
S. PARSONS

NOV. 1982