

MERIDIAN OIL

October 4, 1989

Mr. William J. Lemay, Director
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

RECEIVED
OCT 11 1989
OIL CONSERVATION DIVISION

**RE: Surface Commingling Request
Federal "AF" No. 1 and
Federal "AF" No. 2
Lea County, New Mexico**

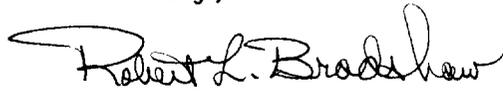
Dear Mr. Lemay:

Meridian Oil proposes to surface commingle production from our Federal "AF" No. 1 and our Federal "AF" No. 2 in a common tank battery located at the No. 1 well site. Each flow will be metered separately prior to commingling. The No. 1 produces about 10.4 bbls oil per day from the North Young (Bone Spring) and the No. 2 produces about 220 bbls oil per day from the North Young (Wolfcamp). As the attached data show, the net loss from commingling the two productions will be about \$1.10 per day.

By copy of this letter, I am requesting the Regional Director of the Bureau of Land Management in Carlsbad, New Mexico, to review these data and to sign the attached consent to this proposed commingling. The signed consent should then be forwarded to you.

If anything is needed to swiftly expedite this request, please contact me at (915) 686-5678.

Sincerely,



Robert L. Bradshaw
Sr. Staff Env./Reg. Specialist

RLB:gs

*Federal approved
with commingling*

Attachments

cc: Well Files
R. L. Pryer
Regional Director
Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88220

APPLICATION FOR EXCEPTION TO RULE 303-A TO PERMIT SURFACE COMMINGLING

This application is submitted to request an exception to Rule 303-A to permit commingling of production from our Federal "AF" No. 1 and No. 2 in a common tank battery located at the Federal "AF" No. 1 site. The No. 1 currently produces from the North Young (Bone Spring) and the No. 2 from the North Young (Wolfcamp).

	Fed. "AF" #1	Fed. "AF" #2
API Gravities of Oil	35.8°	39.4°
Volume of Oil, bbl/day	10.4	220
Expected API Gravity of Commingled Oil		39°
¹ Value of Oil, \$ per bbl	\$18.666	\$18.738
Value of Commingled Oil, \$ per bbl		\$18.73

¹As of 9/15/89

	Total Value
Fed. "AF" #1	\$ 194.13/day
Fed. "A" #2	\$4,122.36/day
Combined	\$4,316.49/day
Commingled	\$4,315.39/day
Net Gain (Loss)	(\$ 1.10/day)

The actual commercial value of the commingled production will be about \$1.10 per day less than the sum of the values if not commingled.

October 2, 1989

Mr. William Lemay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

**RE: Surface Commingling Request
Federal "AF" No. 1 and
Federal "AF" No. 2
Lea County, New Mexico**

Dear Mr. Lemay:

After reviewing data submitted by Meridian Oil Inc. to support its request for authority to commingle production from the referenced facilities in a common tank battery, I hereby consent to the proposed commingling.

Sincerely,

Regional Director
Bureau of Land Management
Carlsbad, New Mexico

RLB:gs

cc: Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

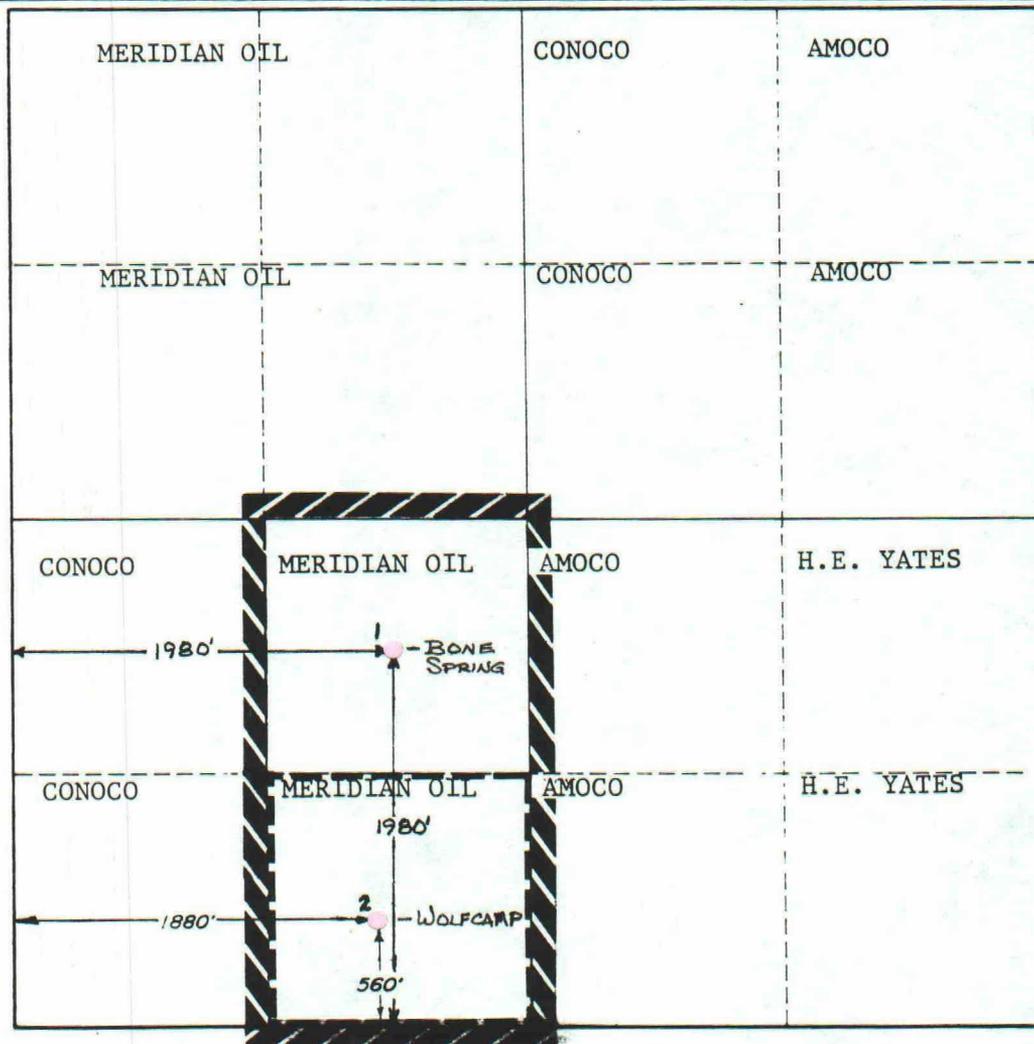
Operator MERIDIAN OIL INC.		Lease FEDERAL AF		Well No. 2
Unit Letter N	Section 8	Township 18-SOUTH	Range 32-EAST	County LEA
Actual Footage Location of Well: 560 feet from the SOUTH line and 1880 feet from the WEST line				
Ground Level Elev. 3772'	Producing Formation WOLFCAMP	Pool NORTH YOUNG	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Robert L. Bradshaw

Name
Robert L. Bradshaw
Position
Sr. Staff Env./Reg. Spec.

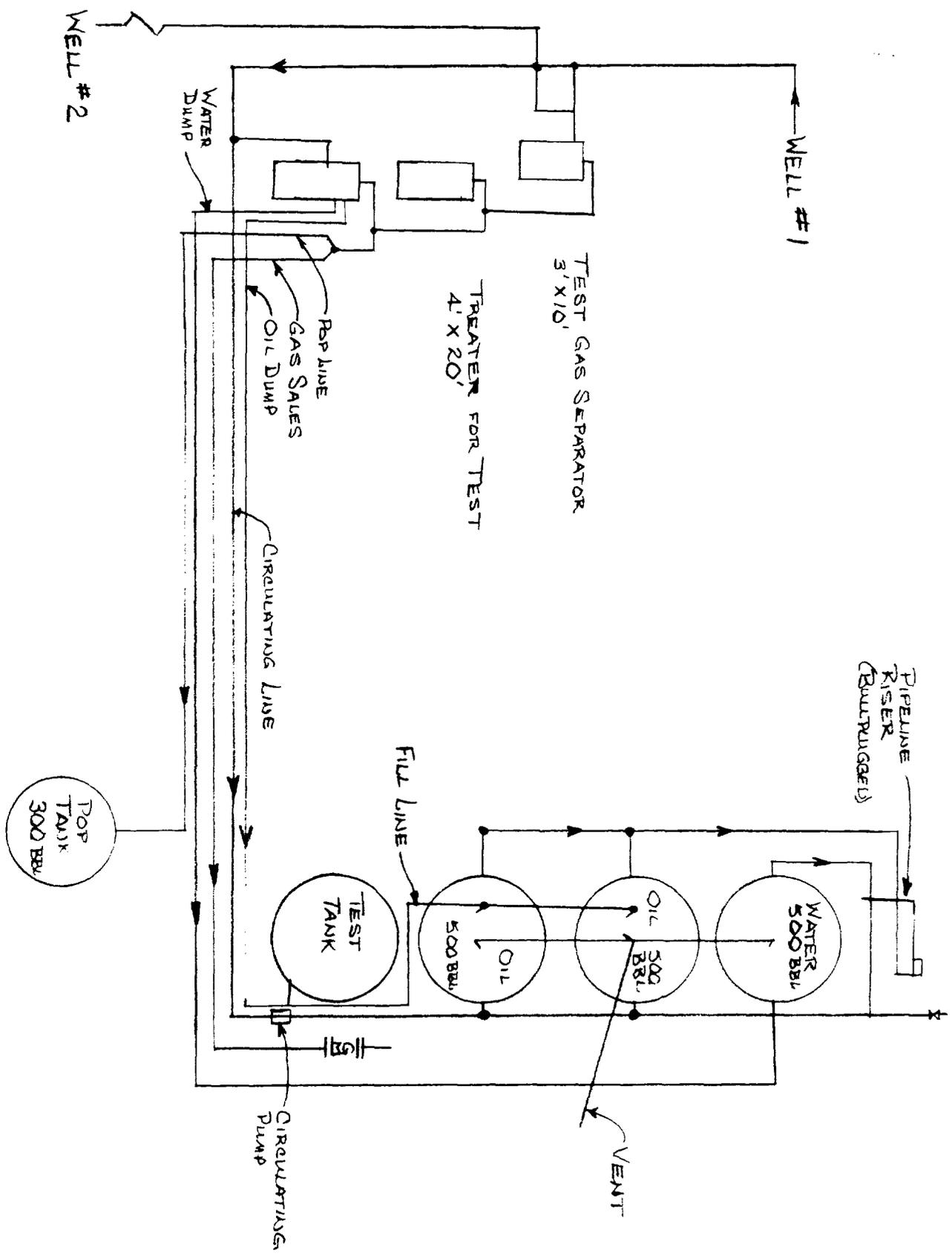
Company
Meridian Oil Inc.

Date
21 March 1989

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 knowledge and belief.

Date Surveyed
FEBRUARY 17, 1989
Registered Professional Engineer and/or Land Surveyor
V. L. YATES
Certificate No.
7920





MERIDIAN OIL INC.
 FEDERAL "AF" SCHEMATIC
 SEC 8, T18S, R32E
 LEA County, N.M.