

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED
DEC 29 AM 9 12

December 27, 1989

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

Re: Surface Commingling Request
Federal "MA" # 6 and
Federak "MA" #2
Lea County, New Mexico
NM- 064944

Dear Mr. Lemay:

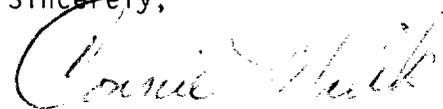
Meridian Oil proposes to surface commingle production from our Federal "MA" No. 6 and our Federal "MA" No. 2 in a common tank battery located at the No. 2 well site. Each flow will be metered separately prior to commingling. The No. 6 produces about 100 bbls oil per day from the West Corbin (Delaware) and the No. 2 produces about 5 bbls oil per day from the West Corbin (Wolfcamp).

As the attached data show, the net loss from commingling the two productions will be about \$.10 per day. This loss will be offset by not having to make up-front capital expenditures to construct a new and separate tank battery facility to handle production from the No. 6. Additional cost efficiency will be realized in that the day to day operating costs will be less since only one tank battery will need to be maintained.

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

If anything is needed to swiftly expedite this request, please contact Jim Kramer at (915) 686-5626.

Sincerely,



Connie L. Malik
Operations Tech III

CLM/cm

Attachments

cc: Well Files
R.L. Pryer
Jim Kramer
Shannon Shaw
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 "MA" No. 6 in a common tank battery located at the Federal "MA" No. 2 site. The No. 6 currently produces from the West Corbin (Delaware) and the No. 2 from the West Corbin (Wolfcamp).

	Fed. "MA" #6	Fed. "MA" #2
API Gravities of Oil	39.0	42.2
Volume of Oil, bbl/day	100	5
Expected API Gravity of Commingled Oil		41.8
**Value of Oil, \$ per bbl	\$20.23	\$20.25
Value of commingled Oil, \$ per bbl		\$20.23

**As of 12/20/89

	Total Value
Fed. "MA" #6	\$2,023.00/day
Fed. "MA" #2	\$ 101.25/day
Combined	\$2,124.25/day
Commingled	\$2,124.15/day
Net Gain (Loss)	(\$.10/day)

The actual commercial value of the commingled production will be about \$.10 per day less than the sum of the values if not commingled.

December 27, 1989

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

Re: Surface Commingling Request
Federal "MA" #6
Federal "MA" #2
Lea County, New Mexico

Dear Mr. Lemay:

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

Sincerely,

Shannon Shaw
Bureau of Land Management
Carlsbad, New Mexico

CLM/cm

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

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

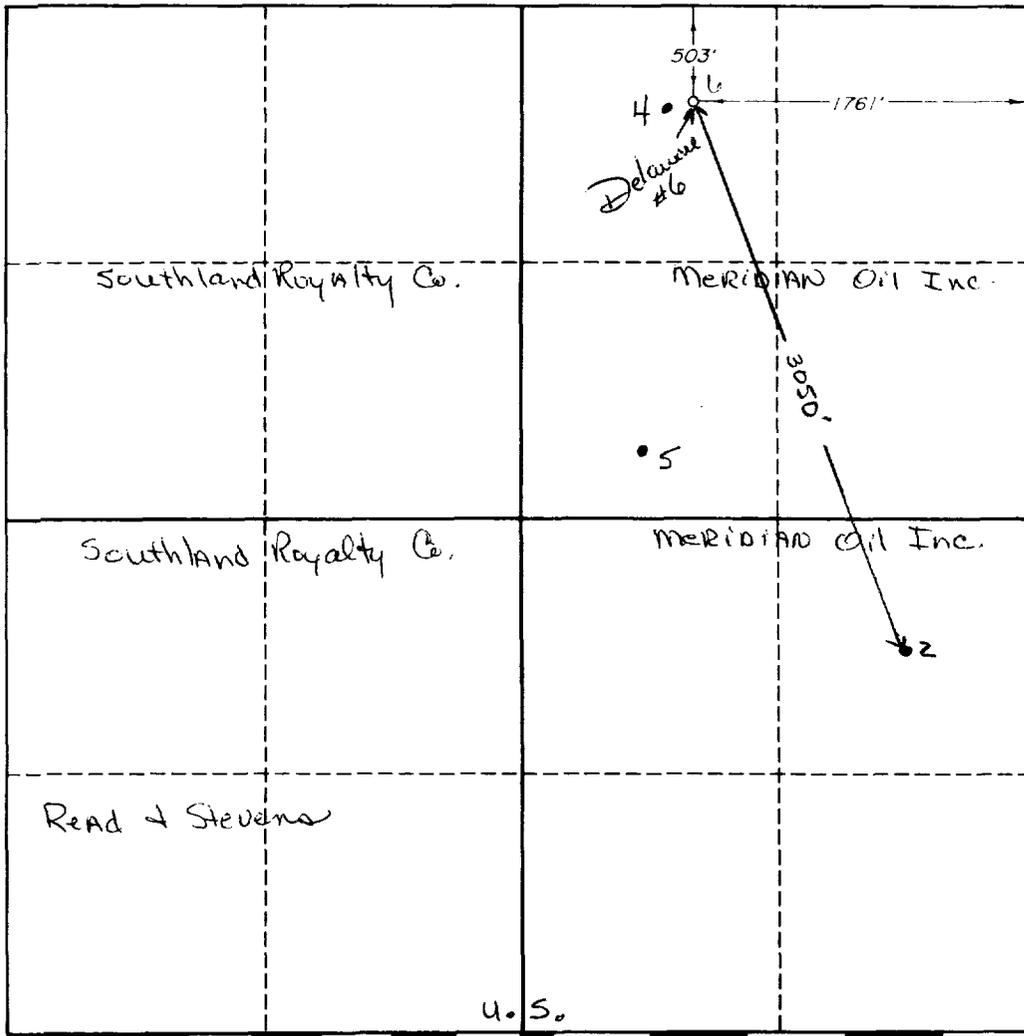
All Distances must be from the outer boundaries of the section

Operator MERIDIAN OIL, INC.			Lease FEDERAL "MA"			Well No. 6		
Unit Letter B	Section 21	Township 18-SOUTH	Range 33-EAST	County NMPM		LEA		
Actual Footage Location of Well: 503 feet from the NORTH line and 1761 feet from the EAST line								
Ground level Elev. 3854'		Producing Formation Delaware		Pool West Corbin		Dedicated Acreage: 40 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

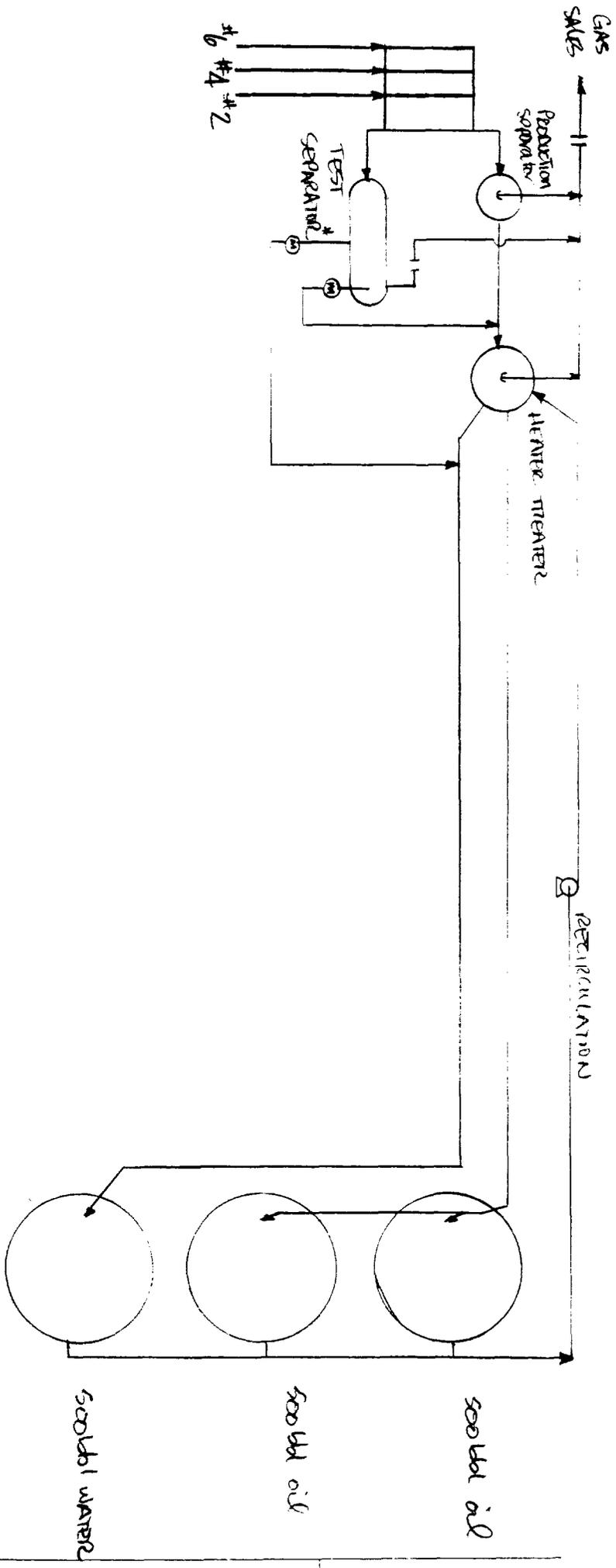
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Connie L. Malik*
 Printed Name: **Connie L. Malik**
 Position: **Operations Tech III**
 Company: **MERIDIAN Oil Inc.**
 Date: **December**

SURVEYOR CERTIFICATION

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: **DECEMBER 11, 1988**
 Signature: *LYNN BEZNER*
 Seal of Professional Surveyor: **LYNN BEZNER NO. 7920 REGISTERED LAND SURVEYOR**
 Certificate No.: **7920**



FEDERAL MA #2 TANK BATTERY
 PROPOSED COMMENCEMENT OF #6

*NOTE: TEST SEPARATION WILL BE INSTALLED WITH THE APPROVAL OF
 COMMENCEMENT #6.

9/16/12/88