



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PC-780

Meridian Oil, Inc.
21 Desta Drive
Midland, TX 79705

Attention: Robert L. Bradshaw

LEASE NAME: Mitchell "16" State Lease
DESCRIPTION: NE/4 NE/4, S/2 NE/4, Section 16, T-18 South, R-32 East, NMPM,
Lea County, New Mexico.

The above-named company is hereby authorized to commingle North Young Wolfcamp and North Young Bone Spring Pool production in a common tank battery and to determine the production from each pool by well tests. (All commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 11th day of December, 1990.

A handwritten signature in black ink, appearing to read "William J. Lemay", written over a horizontal line.

WILLIAM J. LEMAY,
Division Director

MERIDIAN OIL

STATE LAND OFFICE DIVISION
RECEIVED
'90 OCT 29 AM 9 43

October 27, 1990

Mr. David Catanach
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87501

RE: Meridian Oil Inc.
Mitchell "16" State #3
Sec. ~~12~~, T18S, R32E
V-135716

Dear Mr. Catanach:

The referenced well produces about 230 bopd from the North Field Bone Spring. We propose to surface commingle this production with the Young Wolfcamp production at the Mitchell "16" Battery. The value of the commingled well will not change, as demonstrated on the attached chart. By commingling at the existing battery, we will also eliminate the expense of constructing and operating a new tank battery.

If any further information is needed, please contact me at (915) 686-5636.

Sincerely,

Estella M. Alvarado

Estella M. Alvarado
Production Analyst

RLB/bn

c: Well File
D.D. McBee
R.L. Bradshaw
State Land Office

*2-well w/c
1-Bradshaw*

MERIDIAN OIL

October 27, 1990

Mr. David Catanach
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87501

RE: Meridian Oil Inc.
Mitchell "16" State #3
Sec. 12, T18S, R32E
V-1357
16

Dear Mr. Catanach:

The referenced well produces about 230 bopd from the North Field Bone Spring. We propose to surface commingle this production with the Young Wolfcamp production at the Mitchell "16" Battery. The value of the commingled well will not change, as demonstrated on the attached chart. By commingling at the existing battery, we will also eliminate the expense of constructing and operating a new tank battery.

If any further information is needed, please contact me at (915) 686-5636.

Sincerely,

Estella M. Alvarado

Estella M. Alvarado
Production Analyst

RLB/bn

c: Well File
D.D. McBee
R.L. Bradshaw
State Land Office

*we do
Common Ownership*

MERIDIAN OIL INC.
MITCHELL "16" STATE NO. 3
SURFACE COMMINGLE PERMIT REQUEST

	<u>Mitchell "16" St. #3</u>	<u>Commingled</u>	<u>Mitchell "16" Battery</u>
Formation	Bone Springs		Wolfcamp
API Gravity	44	43.9°	43.9°
Volumes	230 bbls/dy	739 bbls/dy	509 bbls/dy
Value, \$/bbls	\$33	\$33	\$33
Value	\$7,590.00/dy	24,387/dy	\$16,797/dy
Combined Value		\$24,387	per day
Commingled Value		\$24,387	per day
Value Gain (Loss)		-0-	per day

Note: \$33/b.o. weighted average price as of 10/26/90

*North Camp
Wolfcamp
43.9°*

#1 - 4W - 1650 FUL & 950 FUL (A) - 970 FUL

#2 - 4W - 469 FUL & 550 FUL (A) - 512 (B) - 353 (24/10)

#3 North Camp Bone Springs - 235 BPD (G)

No well are allowable

1040 - 320 BPD
1025 - 230 BPD

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

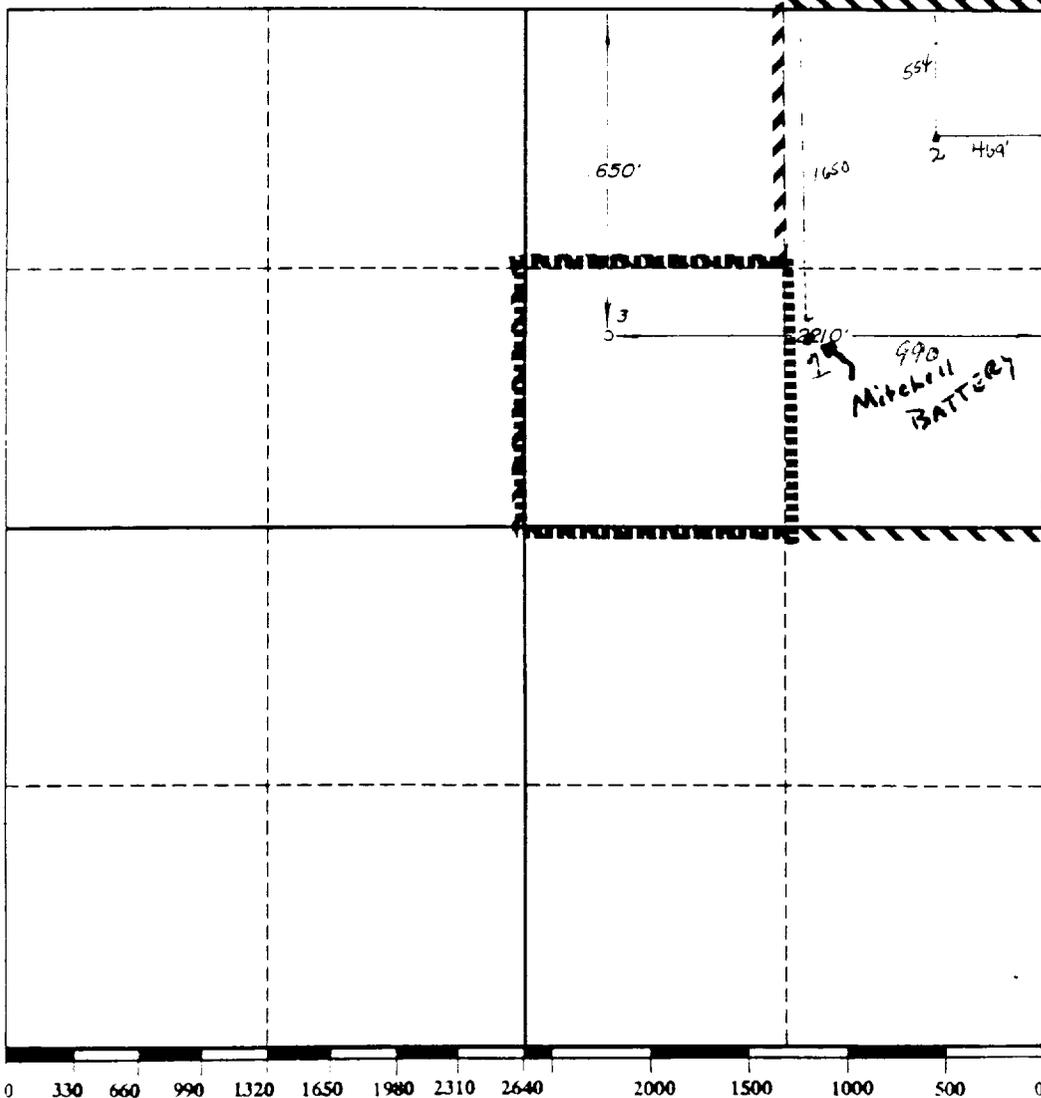
DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

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	MITCHELL "16" STATE		Well No	3
Grid Letter	Section	Township	Range	County					
G	16	18-SOUTH	32-EAST	NMPM	LEA				
Actual Footage Location of Well.									
650	feet from the	NORTH	line and	2210	feet from the	EAST	line		
Ground level Elev	Producing Formation		Pool	Dedicated Acreage:					
3787'	WOLFCAMP		YOUNG (WOLFCAMP)	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 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.
Estella M. Alvarado
 Signature
 ESTELLA M. ALVARADO
 Printed Name
 PRODUCTION ANALYST
 Position
 MERIDIAN OIL INC.
 Company
 08-17-90
 Date

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 _____
 AUGUST 11, 1990
 Signature & Seal of Professional Surveyor

 V. LYNN BEZNER, S.S. # 7920