

MERIDIAN OIL

1-23-91

January 23, 1991

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

RE: AMEND COMMINGLE PERMIT PC-780  
MERIDIAN OIL INC.  
MITCHELL "16" STATE BATTERY  
SEC. 12, T18S, R32E  
V-1357

Dear Mr. Catanach:

The Mitchell "16" State #3 produces about 80 bopd from the Wildcat (San Andres). We propose to surface commingle this production with the Young Wolfcamp production at the Mitchell "16" State Battery. The value of the commingled oil 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 you have any questions, please contact me at (915) 686-5678.

Sincerely,



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

RLB/bn

attachments (2)

cc: Well File  
D.D. McBee  
State Land Office - Santa Fe, NM

# MERIDIAN OIL

	<u>MITCHELL 16 #3</u>	<u>COMMINGLE</u>	<u>MITCHELL 16 BATTERY</u>
Formation	San Andres	.	Wolfcamp
API Gravity	36.0	41.7	43.0
Volumes	80 bbl/dy	460 bbl/dy	380 bbls
Value & bbls	30.75	30.75	30.75
Value	2460.00	14,145.00	11,685.00
Combined Value		14,145.00	
Commingled Value		14,145.00	
Value Gain		-0-	

Note: 30.75/b.o. weighted average price as of 1/17/91

Submit to Approprate 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 1  
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT 2  
 P.O. Drawer DD, Artesia, NM 88210

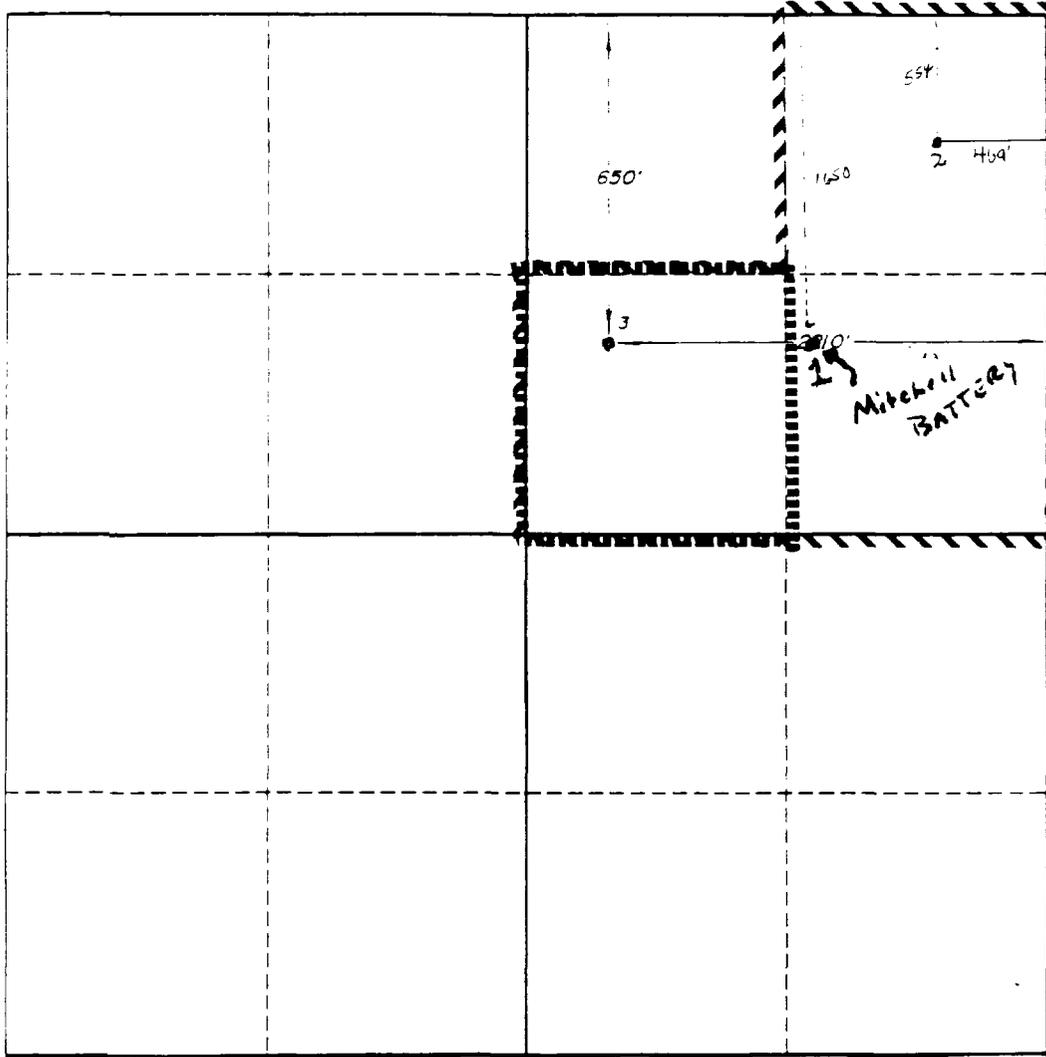
DISTRICT 3  
 100 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator		Lease			Well No	
MERIDIAN OIL INC.		MITCHELL "16" STATE			3	
East Letter	Section	Township	Range	County	LEA	
6	6	8-SOUTH	32-EAST	NMPM		
Actual Footage Location of Well:						
650 feet from the NORTH line and		2210 feet from the EAST line		Dedicated Acreage		
Ground level Elev		Producing Formation		Pool		
3787'		SAN ANDRES		WILDCAT		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.  
*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

# MERIDIAN OIL

January 23, 1991

Mr. Clyde Langdale  
State Land Office  
310 Old Santa Fe Trail  
State Land Office Bldg., Room 102  
Santa Fe, NM 87504-1148

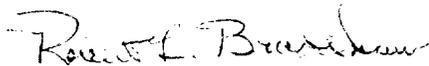
RE: MERIDIAN OIL INC.  
OCD COMMINGLE PERMIT PC-780

Dear Mr. Langdale:

This application seeks to amend our commingle permit for the above referenced facility. The original permit authorized production from the Mitchell "16" State #3 - Young (Bone Spring) to be commingled with Young (Wolfcamp) production at the battery. The No. 3 well is in the final stages of recompletion to the San Andres formation. This package is intended to comply with State Land Office Rule 1.055 as described in Attachment 1.

If you have any questions, please contact me at (915) 686-5678.

Sincerely,



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

RLB/bn

attachment

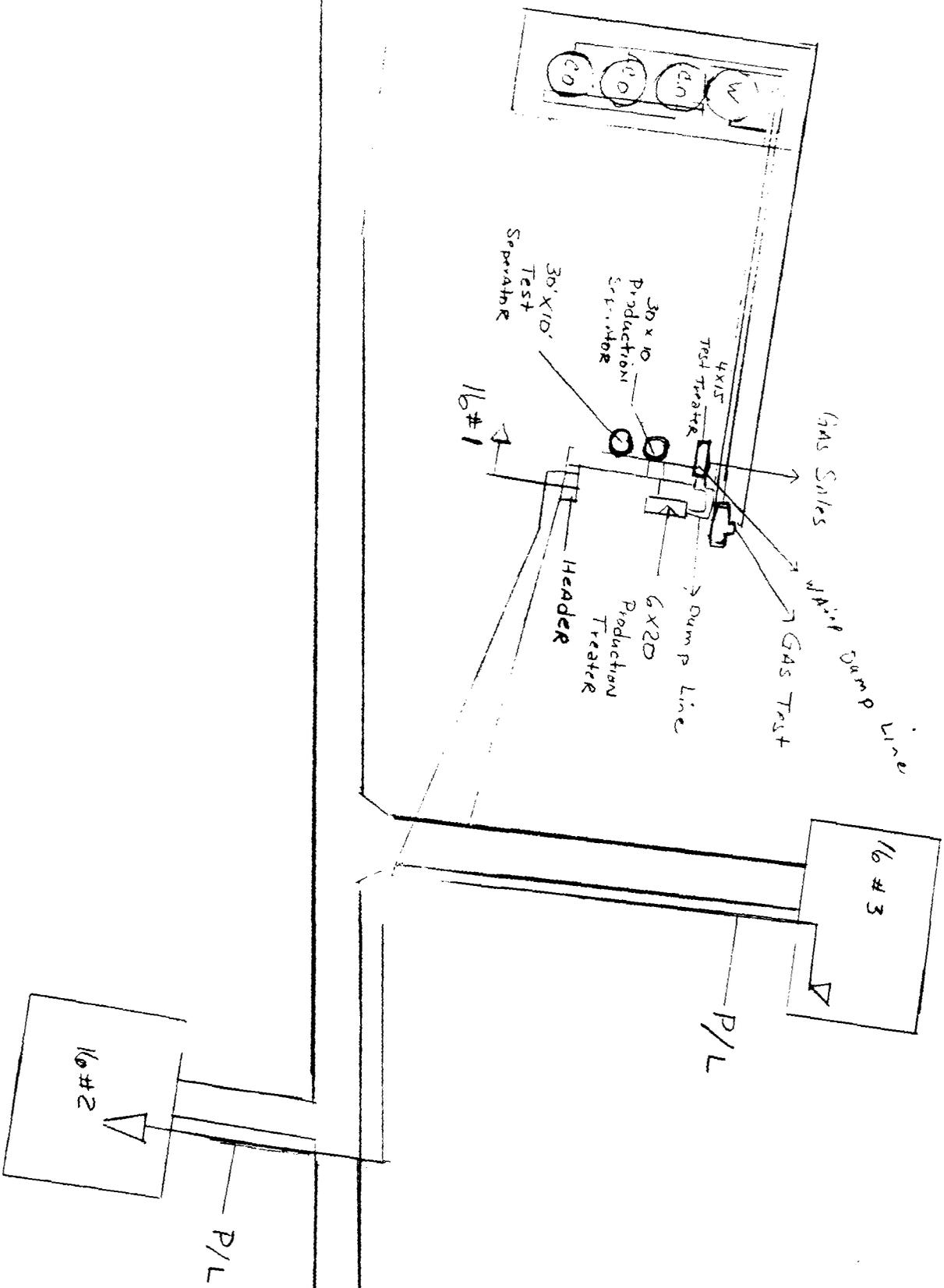
cc: Well File  
D.D. McBee  
OCD - Santa Fe

# MERIDIAN OIL

## ATTACHMENT 1

### State Land Office Rule 1.055 Requirements

- A. This package of information is Meridian's formal application. Currently we have one tank battery constructed at the Mitchell State "16" #1 location. One battery handles production from the "16" #1 and #2. We propose to maximize the use of our existing facility by commingling the "16" #1, #2, and #3. Money order # 90-389239 for \$30.00 to cover the application fee is enclosed.
- B. A plot showing the location of the lease, wells, and flow lines is attached and titled Attachment 2 - Requirement B. All production equipment is located at the Mitchell 16-#1 location and all piping is above ground unless otherwise noted.
- C. The lease involved is lease V-1357.
- D. The wells produce from the following pools:
- |       |                      |
|-------|----------------------|
| 16-#1 | Young (Wolfcamp)     |
| 16-#2 | Young (Wolfcamp)     |
| 16-#3 | Wildcat (San Andres) |
- E. Commingling the streams as described will have no negative impact on the revenue to the State of New Mexico. The end result will be that the State realizes more revenue from the production of the State 16-#1 well.
- F. A schematic diagram of the entire system from the wells to the sales connection is attached as Attachment 2 - Requirement F. The diagram shows the layout and position of the equipment components. This includes pipe, valves, tanks, treaters, and flow lines.
- G. There are no specially fabricated equipment items employed. All items are commercially available.
- H. Lease operation will be as follows: Two separators and treaters are installed to handle the production from the 16-#1, 16-#2, and 16-#3 wells. The separators and treaters that handle the current 16-#1 and 16-#2 production will be converted to test equipment to test the 16-#1, 16-#2, and 16-#3 wells on a monthly basis.
- I. The above discussion should contain all pertinent data concerning the commingling application.



MERIDIAN OIL INC.  
 MITCHELL "16" STATE  
 ATTACHMENT 2-REQUIREMENT B  
 -REQUIREMENT F





P.O. BOX 307 OLNEY, TEXAS 76374  
(817) 564-5502

NOTICE TO CUSTOMERS  
THE PURCHASE OF AN INDEMNITY BOND WILL BE  
REQUIRED BEFORE ANY OFFICIAL CHECK WILL BE  
REPLACED OR REFUNDED IN THE EVENT IT IS LOST,  
MISPLACED OR STOLEN.

90-389239

88-7265/3119

ACCOUNT NUMBER  
90-389239

CHECK NO.  
90-389239

DATE  
JAN-22-91

**MONEY ORDER**

\*\*\*\*\*30\*DOLLARS AND 00 CENTS

\*\*\*\*\*300.00\*\*\*

AY

STATE LAND OFFICE

AMOUNT

TO THE  
ORDER  
OF

MERCIAN OIL

REMITTER

*Kawata Hampton*

⑈90389239⑈ ⑆311972652⑆923190090 303⑈

DATE	TRANSACTION DESCRIPTION
JAN-22-91	90389239-MERCIAN OIL 90-389239 *****300.00***
	<i>Amud Commingle Permit for Mitchell '60 #1.</i>