



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

RAY B. POWELL  
COMMISSIONER

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

August 11, 1993

Meridian Oil  
P. O. Box 51810  
Midland, Texas 79710-1810

Attn: Ms. Maria L. Perez

Re: Request for Surface Commingling  
State "DR" Lease, Well Nos. 2 and 3  
Northeast Lusk Yates Field - East Lusk Wolfcamp Field  
State Lease No. LG-604, Sec. 16-19S-32E  
Lea County, New Mexico

Dear Ms. Perez:

Reference is made to your application of August 2, 1993 wherein Meridian Oil Inc. has requested our approval to surface commingle the production from the Northeast Lusk Yates and East Lusk Wolfcamp Fields on the State "DR" Lease in a common tank battery located in the SE/4NE/4 of Section 16-19S-32E.

We have derived the following information from your application:

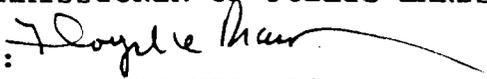
1. The wells to be surface commingled, the State "DR" Lease Well Nos. 2 and 3, are located on Lease No. LG-604.
2. Production will be allocated for each pool by monthly individual well recorded tests.
3. There will be no economic loss involved with the commingling of these two pools.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling operations is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
RBP/FOP/pm  
cc: OCD - David Catanach