

**MERIDIAN OIL**

22 008821 A DIVISION  
RE: 150  
191 03-77 07 9 17

August 7, 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 # 1 and # 2 (Wolfcamp) and from the Mitchell 16 State #3 (San Andres) at the Mitchell 16 State battery. We would now like to add the Young 16 State # 1 well (Delaware) to this existing commingle permit. 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) 686-5681.

Sincerely,



Connie L. Malik  
Regulatory Compliance Rep.

CLM/cm

attachment

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

## 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 16 State # 1 location. One battery handles production from the Mitchell 16 # 1, #2 and #3. We propose to maximize the use of our existing facility by commingling the Young 16 State # 1 with these three Mitchell wells. A money order for \$30.00 to cover the application fee is enclosed.

B. A plot showing the location of the lease, wells, and flow line is attached and titled Attachment 2 - Requirement B. All production equipment is located at the Mitchell 16 State # 3 location and all piping is above ground unless otherwise noted.

C. The lease involved is lease B-1357.

D. The wells produce from the following pools:

Young 16 State # 1	Young(Delaware)
Mitchell 16 State # 1	Young(Wolfcamp)
Mitchell 16 State # 2	Young(Wolfcamp)
Mitchell 16 State # 3	Young(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 Young 16 State # 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 wells. Separators and treaters have been converted to test equipment to test the wells on a monthly basis.

I. The above discussion should contain all pertinent data concerning the commingling application.

MERIDIAN OIL INC.  
 MITCHELL 16 STATE LEASE  
 AMMENDMENT TO COMMINGLE PERMIT PC-780  
 V-1357

	<u>Battery</u>	<u>Delaware</u>	<u>Commingled</u>
API Gravity	41.7	38.5	41.2
Volume, Bbl/day	460	80	540
Volume, \$/Bbl	20.25	20.22	20.25
Value, \$	9,315.00	1,617.60	10,935.00
	Combined Value	\$10,932.60	
	Commingled Value	\$10,935.00	
	Value Gain (Loss)	2.40	

Note: \$20.25 - W.T.I. price as of 7/31/91.

Existing Commingle

Mitchell 16 State #1 - Wolfcamp  
 Mitchell 16 State #2 - Wolfcamp  
 Mitchell 16 State #3 - San Andres

Proposed addition to Commingle

Young 16 State # 1 - Delaware

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

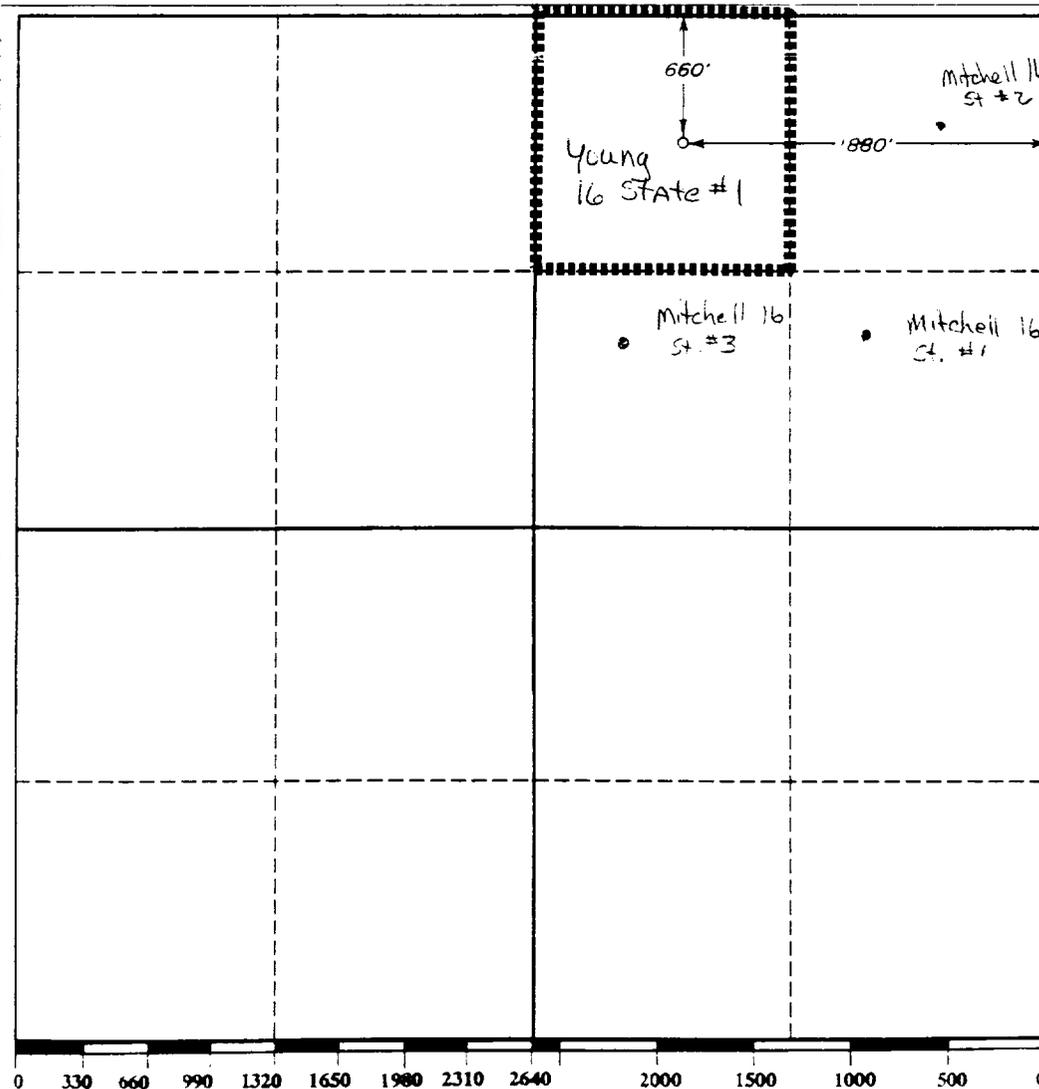
Operator		Lease		Well No.	
MERIDIAN OIL, INC.		YOUNG STATE (16")		1	
Unit Letter	Section	Township	Range	County	
B	16	18-SOUTH	32-EAST	NMPM	
				LEA	

Actual Footage Location of Well:

660 feet from the NORTH line and 880 feet from the EAST line

Ground level Elev. 3798' Producing Formation Delaware / Bone Springs / Galloway Pool Young 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.

Connie Malik  
 Signature  
 Printed Name  
 Regulatory Analyst  
 Position  
 Meridian Oil Inc  
 Company  
 5-22-91  
 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  
 JANUARY 2, 1991

V. Lynn Bezner  
 Signature & Seal of Professional Surveyor

Certificate No.  
 V. LYNN BEZNER, R.L.S. #7920

