

MERIDIAN OIL

OIL CONSERVATION DIVISION
REGISTRATION

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Commission
P. O. Box 2988
Santa Fe, NM 87504

'91 AUG 6 AM 8 39

Atten: Mr. David Catanach

July 31, 1991

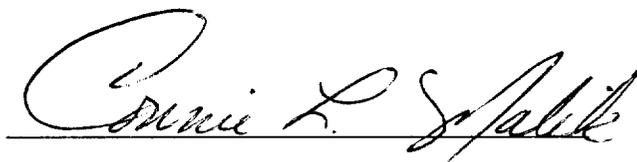
Re: Amend Commingle Permit PC-780
Mitchell "16" State Battery
Sec. 12, T18S, R32E
V-1357
Add Young 16 State No. 1
Lea County, NM

Dear Mr. Catanach:

The Young 16 State No. 1 was recently drilled and completed in the North Young (Delaware) and is producing about 80 BOPD. We are requesting this permit to surface commingle this production with the Wolfcamp and San Andres production at the Mitchell 16 State Battery.

The value of the commingled oil will increase slightly, as demonstrated on the attached chart. By commingling at the existing battery, we will eliminate the expense of constructing and operating a new tank battery.

If other information is needed, please contact me at 915/686-5681.



Connie L. Malik
Regulatory Compliance Representative

CLM/cm

attachments (2)

cc: Lease file
Well File
E.M. Carpenter
D.D. McBee
Mr. Jerry Sexton - OCD, Hobbs, NM

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

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

