

December 21, 1992

**MERIDIAN OIL**

Mr. David Catanach  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

OIL CONSERVATION DIVISION  
RECEIVED

'92 DE 21 AM 10 10

**RE: Formal request for  
Lease Commingling and Off Lease Storage  
Federal MA #9 to the Federal "21" Lease Battery  
Located in Unit K, Sec. 21, T-18-S, R-33-E  
Lea County, New Mexico**

Dear Mr. Catanach:

Meridian Oil Company and Southland Royalty Company respectfully submit a formal request to combine production on the above captioned leases. The Federal "21" battery is currently handling the Federal "21" wells, 1,2,3, & 4. The flowline to the Federal "21" battery is shorter than a flowline to the Federal MA battery, and will thus save us money to lay. The gravity will be similar to either battery's production. The value of the commingled production will be the same as the values of the production from each common source. Presently, the Federal "21" Lease is under Surface Commingling Order PC-769, thus we are asking to amend this to a lease commingling to add the Federal MA #9.

We are also requesting approval for off-lease storage for the Federal MA #9 to the Federal "21" Lease. The Federal MA #9 (currently drilling) could produce up to 445 BOPD from the Wolfcamp (top allowable). The existing Federal MA battery is not capable of handling this volume increase, however, the Federal "21" battery is capable as it is currently underutilized. The Federal "21" battery is also closer to the Federal MA #9. Both leases are Federal and 100% Meridian Oil owned. In granting this request, there is no indication of the Federal system being affected in any manner. The production will be allocated monthly based on well tests through the three phase separator (see schematic).

Thank you for your consideration in granting this request. We do ask for approval as soon as possible. If there are further questions, please contact me at 915-688-6943.

Sincerely,



Donna J. Williams  
Production Assistant

XC: Well File	Don McBee	Land Dept. (2)
Joint Interest	Resv. Eng.	Hobbs Field Office
Prod. Eng.	Geologist	Prod. Services
Becky Kidd - NGPA - Houston Corp.		
Regulatory File:		
Connie Malik, Donna Williams, Maria Perez		

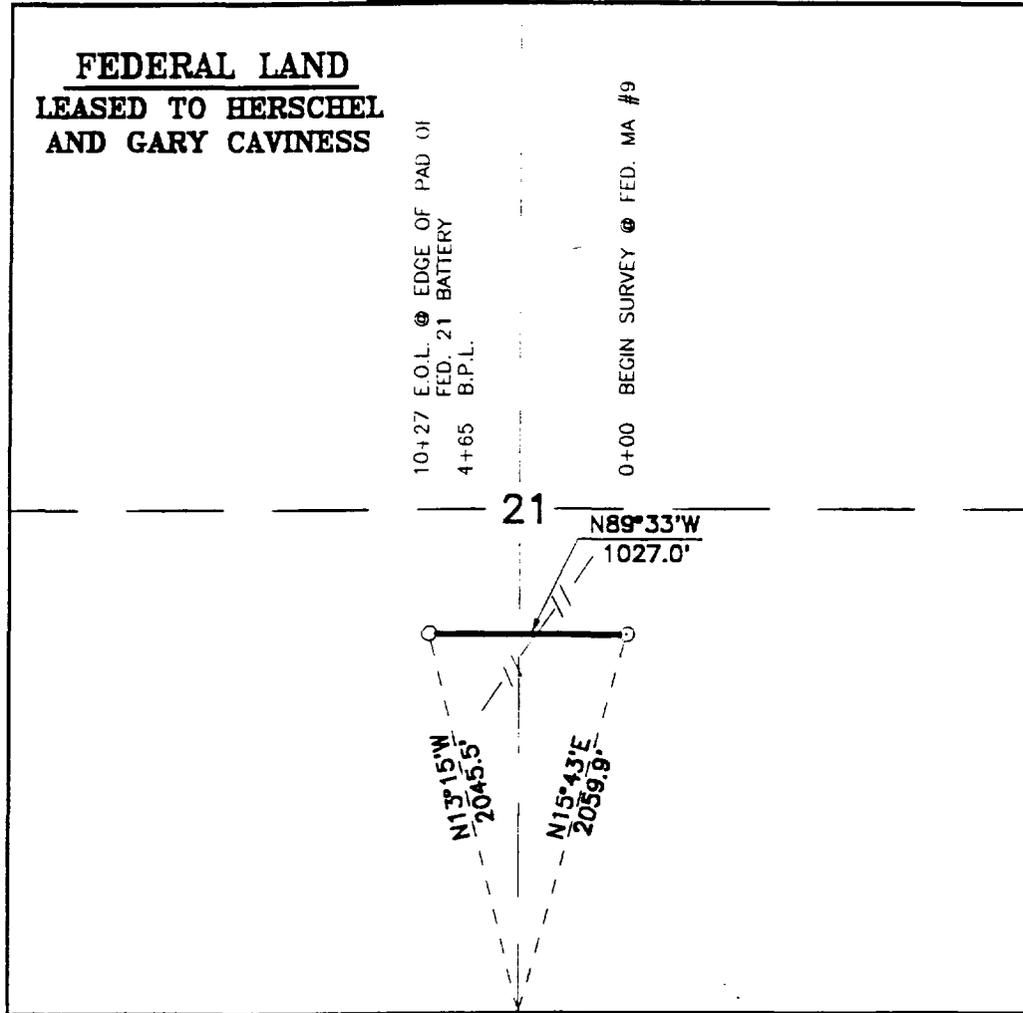
SECTION 21, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

AMENDED

**FEDERAL LAND  
LEASED TO HERSCHEL  
AND GARY CAVINESS**

10+27 E.O.L. @ EDGE OF PAD OF  
FED. 21 BATTERY  
4+65 B.P.L.

0+00 BEGIN SURVEY @ FED. MA #9



LEGAL DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, 1027.0 FEET OR 0.20 MILES IN LENGTH AND BEING 25.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.



FEDERAL MA No. 9 - FLOWLINE

**MERIDIAN OIL**

A PROPOSED PIPELINE CROSSING FEDERAL LAND IN SECTION 21, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

**JOHN W. WEST ENGINEERING COMPANY**  
CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

Survey Date: 09-25-92 Sheet 1 of 1 Sheets

W.O. Number: 92-11-1252 Drawn By: S.C. NICHOLS

Date: 09-25-92 MER1252E Scale: 1" = 1000'

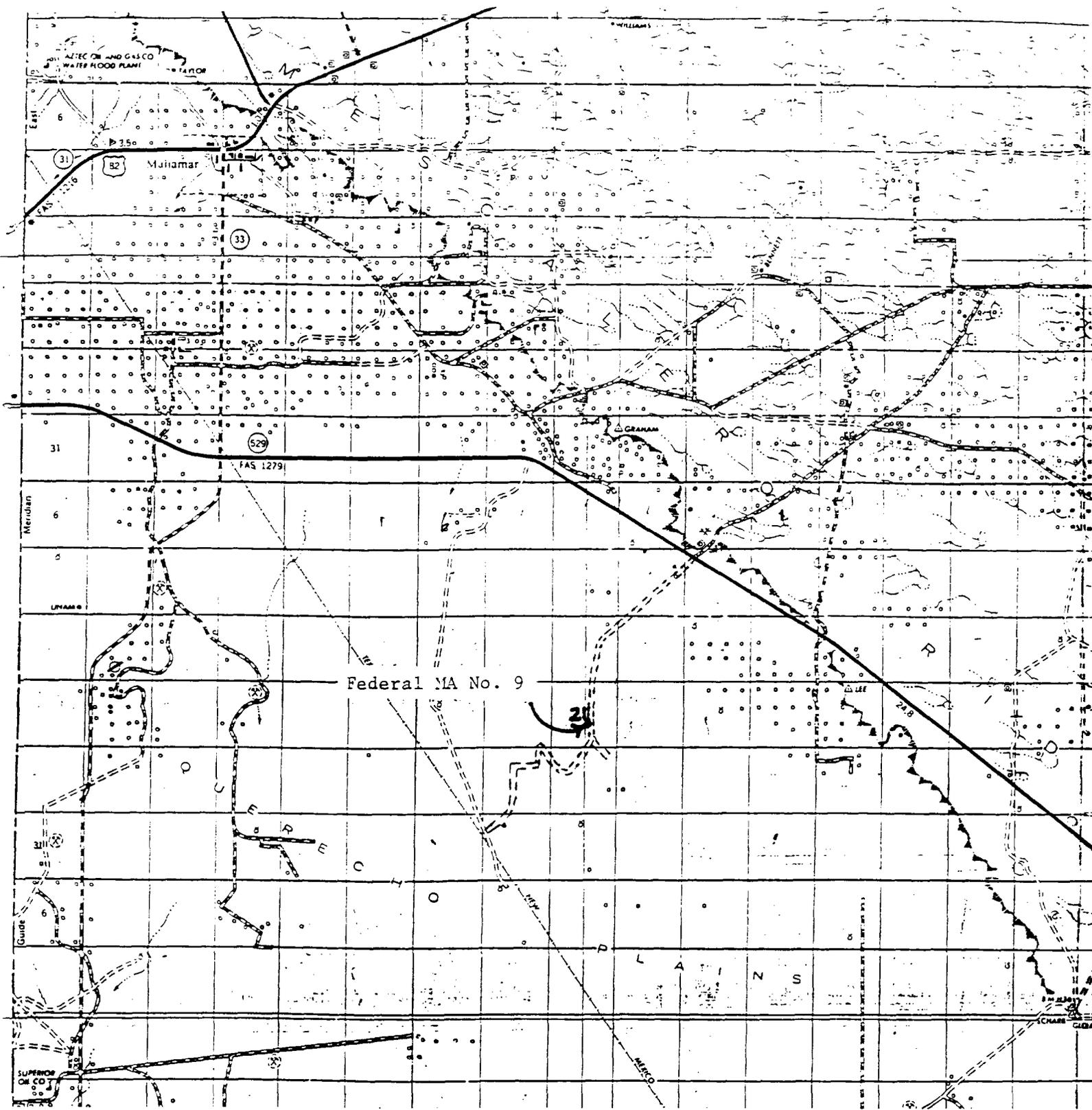
I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

*John W. West*  
JOHN W. WEST  
N.M. P.S. No. 6777  
TEXAS P.L.S. No. 1135

*Ronald J. Eidson*  
RONALD J. EIDSON  
N.M. P.S. No. 3239  
TEXAS P.L.S. No. 7883

*Gary L. Jones*  
GARY L. JONES  
N.M. P.S. No. 7977

	<p>State 16 Lse</p> <p>4 ● 2 ● 6 ● 7 ●</p>	<p>Percha State Lse</p> <p>1 ● 2Y ●</p>	
<p>20</p>	<p>Federal 21 Lse</p> <p>4 ● 3 ● 8 ●</p> <p>Federal MA Lse</p> <p>1 ● 2 ● 9 ● 2 ●</p>	<p>Aztec Federal Lse</p> <p>2 ● 1 ●</p>	<p>22</p>
<p>Corbin Lse</p> <p>3 ●</p>	<p>Tijeras State Lse</p> <p>1 ●</p>	<p>T-18-S R-33-E</p>	<p>27</p>
<p>29</p>	<p>1 ●</p> <p>Uncle Com Lse</p> <p>3 ●</p>	<p>3-MA ●</p> <p>1-MA ☀</p>	<p>28</p>



AMENDED

**MERIDIAN OIL INC.**

Well Name: FEDERAL MA No. 9  
 Location: 1980' FSL & 2080' FEL, SEC. 21, T-18-S, R-33-E, LEA COUNTY, NEW MEXICO  
 Directions: BEGINNING AT THE CITY OF MALJAMAR, NEW MEXICO GO SOUTH 4 1/2 MILES  
SOUTH ON STATE HWY. 33 TO THE INTERSECTION OF STATE HWY. 33 & STATE HWY.  
529 TURN WEST AND GO 7 1/2 MILES TO A CALICHE LEASE ROAD TURN SOUTHWEST  
AND GO APPROXIMATELY 3 MILES TO LOCATION 100 FEET WEST OF ROAD.