

MERIDIAN OIL

May 7, 1993

Oil Conservation Division
3300 N. "A" St., Bldg. 6, Midland, Texas 79705-5406
3300 N. "A" St. Bldg. 6 9 43

Mr. Ben Stone
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: Amend Commingling Order PLC-99 dated April 22, 1993

Dear Mr. Stone:

Operator: Southland Royalty Company
Lease Name: Federal "MA" Lease Wells 2,4,6,7 & 8
Description: N/2, NE/4, NE/4, SE/4, Sec. 21;
NE/4, NW/4, Sec. 27
T18S, R33E, NMPM, Lea County, NM
(LC-064944)

Operator: Southland Royalty Company
Lease Name: Aztec "22" Federal Lease Well No. 3
Description: NW/4, NW/4, Sec. 22
T18S, R33E, NMPM, Lea County, NM

This request is to amend the previously submitted application to lease commingle these two leases which produce from the West Corbin-Delaware, South Corbin Wolfcamp and South Corbin-Bone Spring Pools into a common tank battery.

Southland Royalty Company would like to amend the method of determining production from the subject leases as follows:

- a.) Production from the Federal "MA" Lease Wells 2,4,6,7, & 8 will be allocated on the basis of well tests and tested at least once a month. None of these wells are top allowable wells anymore and therefore, do not require metering. All the wells in the Federal "MA" Lease have the same Royalty Interest owners and Southland Royalty Company is 100% Working Interest owner.
- b.) Production from the Aztec "22" Federal Well No. 3 shall be individually and separately metered prior to commingling as the Royalty Interest owners are not the same as the Federal "MA" Lease. Southland Royalty is 100% Working Interest Owner.

The Federal "MA" Lease Battery will consist of three treaters as follows:

1. One Test Treater for all the wells on the Federal "MA" Lease under this permit
2. One Production Treater
3. One Test Treater for the Aztec "22" Federal Well No. 3

Should you require additional information, please call me at 915-688-6906.

Sincerely,



Maria L. Perez
Production Assistant

MLP:aem

XC:Well File

Land Dept.
Resr. Engr.
Fac. Engr.
BLM-Carlsbad
Joint Int.
Prod. Engr.
Texas-New Mexico Pipeline Co.
Regulatory
Donna Williams
Connie Malik
Stella Alvarado
Richard Atchley
Maria L. Perez