

ALL CONSENTS MUST BE OBTAINED FROM THE DIVISION
BEFORE PROCEEDING

93 MAY 10 AM 9 00

3162 (067)
LC-064944
NM-0997

MAY 06 1993

CERTIFIED-RETURN RECEIPT REQUIRED
P 135 585 958

Meridian Oil Company
Attention: Ms. Maria L. Perez
P. O. Box 51810
Midland, TX 79710-1810

Re: Lease LC-064944
Well Nos. 2-, 4-, 6-, 7-, and 8-Federal MA
NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, & SE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 21, T18S, R33E

Lease NM-0997
Well No. 3-Aztec 22 Federal
NW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 22, T18S, R33E
Lea County, New Mexico

Gentlemen:

Your request to surface commingle production including off-lease storage and off-lease measurement and off-lease sales from the Well Nos. 2-, 4-, 6-, 7-, and 8-Federal MA on lease LC-064944, and Well No. 3-Aztec 22 Federal on lease NM-0997, at the well No. 2-Federal MA tank battery, located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 21, is hereby approved subject to the following conditions of approval:

1. This agency be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This commingling is based on economics and will not result in reduced royalty.
5. This approval does not constitute right-of-way approval for any off lease activities. You need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
6. This approval is subject to the concurrence of the New Mexico Oil Conservation Division.

As stated in your application, production will be allocated by separately metering production from Well Nos. 6- and 7-Federal MA and Well No. 3-Aztec 22 Federal separately and allocating on the basis of well tests prior to

commingling. The point of sales delivery for the wells is physically located at well No. 2-Federal MA, located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 21, T. 18 S., R. 33 E., on Federal lease LC-064944.

Please contact Adam Salameh, Petroleum Engineer, at (505) 887-6544 or at the letterhead address if any further information is required.

Sincerely,

/s/ Gary Bowers

FOR Richard L. Manus
Area Manager

bcc:

NM (065, B. Lopez, D. Glass)
NM (067, A. Salameh, G. Bowers)
NM (067A, K. Haston)

NMOCD - Attn.: Mr. D. R. Catanach
P. O. Box 2088
Santa Fe, NM 87504