

RELEASE 11-23-93 PLC
OIL CONSERVATION DIVISION
RECEIVED
OCT 9 11

MERIDIAN OIL

OCTOBER 28, 1993

MR. BEN STONE
OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87504

RE: REQUEST STATUS OF APPROVAL FOR AMENDED
APPLICATION FOR SURFACE COMMINGLING,
MEASUREMENT APPROVAL AND
OFF-LEASE STORAGE FOR
SOUTHLAND ROYALTY COMPANY
FEDERAL "MA" LEASE (NM-0997)
FEDERAL "MA" LEASE (LC-064944)
AZTEC "22" FEDERAL LEASE (NM-0997)
LEA COUNTY, NEW MEXICO

DEAR MR. STONE:

ENCLOSED IS A COPY OF THE APPROVED SUNDRY FROM THE
BUREAU OF LAND MANAGEMENT IN CARLSBAD, NEW MEXICO
FOR THE CAPTIONED APPLICATION.

WE ARE REQUESTING LIKE APPROVAL FROM THE STATE. A COPY
OF THIS APPLICATION WAS SUBMITTED TO YOUR OFFICE ON
SEPTEMBER 28, 1993. THE BLM IS NOW APPROVING
COMMINGLING APPLICATION IN THE FORM OF A SUNDRY
INSTEAD OF THE LETTER FORMAT PREVIOUSLY USED.

SHOULD YOU HAVE ANY QUESTIONS CONCERNING THIS
APPLICATION, PLEASE CONTACT ME AT A/C 915-688-6906.

SINCERELY,



MARIA L. PEREZ
PRODUCTION ASST.

**APPLICATION FOR SURFACE COMMINGLING, MEASUREMENT
APPROVAL AND OFF-LEASE STORAGE INVOLVING THREE LEASES AND
THREE POOLS.**

**TO: BUREAU OF LAND MANAGEMENT
P. O. BOX 1778
CARLSBAD, NEW MEXICO 88221-1779**

**SOUTHLAND ROYALTY COMPANY IS REQUESTING APPROVAL FOR
SURFACE COMMINGLING AND MEASUREMENT OF HYDROCARBON
PRODUCTION FROM THE SOUTH CORBIN BONE SPRING, SOUTH CORBIN
WOLFCAMP AND THE WEST CORBIN DELAWARE POOLS FROM THE
FOLLOWING LEASES.**

FEDERAL "MA" COM. LEASE (NM-0997)

WELL

<u>NO.</u>	<u>LOC.</u>	<u>SEC.</u>	<u>TWP.</u>	<u>RNG.</u>	<u>FORMATION</u>
2	I	21	18S	33E	BONE SPRING

FEDERAL "MA" LEASE (LC-064944)

WELL

<u>NO.</u>	<u>LOC.</u>	<u>SEC.</u>	<u>TWP.</u>	<u>RNG.</u>	<u>FORMATION</u>
4	B	21	18S	33E	WOLFCAMP
6	B	21	18S	33E	DELAWARE
7	A	21	18S	33E	DELAWARE
8	H	21	18S	33E	WOLFCAMP

AZTEC "22" FEDERAL LEASE (NM-0997)

WELL

<u>NO.</u>	<u>LOC.</u>	<u>SEC.</u>	<u>TWP.</u>	<u>RNG.</u>	<u>FORMATION</u>
3	D	22	18S	33E	DELAWARE

PRODUCTION FROM THE WELLS INVOLVED IS AS FOLLOWS:

<u>WELL NAME AND NO.</u>	<u>BOPD</u>	<u>OIL GRAVITY</u>	<u>MCFPD</u>
FEDERAL "MA" NO. 2	15	37.5	31
FEDERAL "MA" NO. 4	20	42.2	50
FEDERAL "MA" NO. 6	29	39.0	130
FEDERAL "MA" NO. 7	35	39.0	175
FEDERAL "MA" NO. 8	65	42.2	300
AZTEC "22" FEDERAL NO. 3	80	39.0	120

THE PROPOSED OPERATION IS DESCRIBED IN DETAIL ON THE ATTACHED DIAGRAM

A MAP IS ENCLOSED SHOWING THE LEASE NUMBERS AND LOCATION OF ALL WELLS THAT WILL CONTRIBUTE PRODUCTION TO THE PROPOSED COMMINGLING/Common STORAGE FACILITY. ALL UNITIZED/COMMUNITIZED AREAS, PRODUCING ZONES/POOLS ARE ALSO CLEARLY ILLUSTRATED.

A SCHEMATIC DIAGRAM IS ALSO ATTACHED WHICH CLEARLY IDENTIFIES ALL EQUIPMENT THAT WILL BE UTILIZED.

THE STORAGE AND MEASURING FACILITY IS LOCATED AT THE NE/4 SE/4 OF SEC. 21, T18S, R33E, ON LEASE NO. NM-0997, LEA COUNTY, NEW MEXICO. THE BLM WILL BE NOTIFIED IF THERE IS ANY FUTURE CHANGE IN THE FACILITY LOCATION.

DETAILS OF THE PROPOSED METHOD FOR ALLOCATING PRODUCTION TO CONTRIBUTING SOURCES IS AS FOLLOWS:

FEDERAL "MA" NO. 2	PROD. TEST THROUGH TEST TREATER
FEDERAL "MA" NO. 4	PROD. TEST THROUGH TEST TREATER
FEDERAL "MA" NO. 6	PROD. TEST THROUGH TEST TREATER
FEDERAL "MA" NO. 7	PROD. TEST THROUGH TEST TREATER
FEDERAL "MA" NO. 8	PROD. TEST THROUGH TEST TREATER
AZTEC "22" FED. NO. 3	PROD. TEST THROUGH TEST TREATER

THE BATTERY HAS A 3-PHASE PRODUCTION HEATER TREATER AND TWO TEST TREATERS. ALL TREATERS ARE EQUIPPED WITH HALLIBURTON'S TURBINE FLOW METERS ON THE OIL DUMPS AND WATER DUMPS TO CONTINUOUSLY MEASURE THE OIL AND WATER VOLUMES FOR EACH WELL. EACH TEST TREATER IS EQUIPPED WITH AN ORIFICE TEST METER TO MEASURE THE GAS VOLUMES. ONE OF THE TWO TEST TREATERS IS USED TO SEPARATELY TEST THE AZTEC "22" FEDERAL NO. 3

THE WORKING INTEREST OWNERS HAVE BEEN NOTIFIED OF THE PROPOSAL.

THE PROPOSED COMMINGLING OF PRODUCTION IS IN THE INTEREST OF CONSERVATION AND WILL NOT RESULT IN REDUCED ROYALTY OR IMPROPER MEASUREMENT OF PRODUCTION.

THE PROPOSED COMMINGLING IS NECESSARY FOR CONTINUED OPERATION OF THE ABOVE REFERENCED FEDERAL LEASES.

ADDITIONALLY, WE REQUEST APPROVAL FOR OFF-LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE FEDERAL "MA" LEASE WELL NO'S 4, 6, 7 AND 8 (LC-064944) AND THE AZTEC "22" FEDERAL LEASE WELL NO. 3 (NM-0997) TO THE FEDERAL "MA" BATTERY (NM-0997) LOCATED IN UNIT LETTER I, NE/4 SE/4 OF SEC. 21, T18S, R33E. LEA COUNTY, NM.

WE UNDERSTAND THAT THE REQUESTED APPROVAL WILL NOT CONSTITUTE THE GRANTING OF ANY RIGHT-OF-WAY OR CONSTRUCTION RIGHTS NOT GRANTED BY THE LEASE INSTRUMENT. AND, WE WILL SUBMIT WITHIN 30 DAYS AN APPLICATION FOR RIGHT OF WAY APPROVAL TO THE BLM'S REALTY SECTION IN YOUR OFFICE IF WE HAVE NOT ALREADY DONE SO.

SIGNATURE: *Maria L. Perez*
NAME: Maria L. Perez
TITLE: Prod. Asst.
DATE: 9-28-93

Huber 17 Lse

4

State 16 Lse

4 2 6 8
5

Percha State Lse

4

Delaware

2

1

Flowline

NM-0997

Aztec "22" Federal Lease

20

1

South Corbin Lse

1

FLOWLINES

Delaware

6

Wolfcamp

4

21

3

Wolfcamp

8

LC-064944

Federal "MA" Lease

9

Bone Spring

2

NM-0997

Federal "MA" Com. Lease

Federal 21 Lse

Tijercus State Lse

1

T-18-S R-33-E

SOUTHLAND ROYALTY COMPANY
Commingling Plat
Federal "MA" Battery
Located on the NE/4 SE/4
of Sec. 21, T-18-S, R-33-E
on Lease No. NM-0997
Lea County, Texas

29

28

1 3

Uncle Com Lse

7

3-



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters
P.O. Box 1778

Carlsbad, New Mexico 88221-1778

RECEIVED

3162 (067)
NM-0997

AUG 20 1993

PROD. SERV.

AUG 17 1993

Previous Authority

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

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

Dear Ms. Perez:

You have requested to surface commingle hydrocarbon production from the West Corbin-Delaware formation in the above referenced Aztec "22" Federal Well No. 3, on lease No. NM-0997, with hydrocarbon production from the following formations and wells on Federal "MA" lease No. LC-064944, in Section 21, T. 18 S., R. 33 E., Lea County, New Mexico:

<u>Well No.</u>	<u>Location</u>	<u>Formation</u>
2	NE $\frac{1}{4}$ SE $\frac{1}{4}$	South Corbin Bone Spring
4	NW $\frac{1}{4}$ NE $\frac{1}{4}$	South Corbin Wolfcamp
6	NW $\frac{1}{4}$ NE $\frac{1}{4}$	West Corbin Delaware
7	NE $\frac{1}{4}$ NE $\frac{1}{4}$	West Corbin Delaware
8	SE $\frac{1}{4}$ NE $\frac{1}{4}$	South Corbin Wolfcamp

Your request for commingling is hereby approved subject to the concurrence of the New Mexico Oil Conservation Division.

Production from the Aztec "22" Federal Well No. 3, West Corbin-Delaware shall be individually and separately metered prior to commingling. The remaining production shall be allocated on the basis of monthly well tests.

We understand that the working interest owners have been notified. Further, your request is made in the interest of conservation and will not result in reduced royalty or improper measurement of production.

Also, your request for off-lease storage and measurement from the Aztec "22" Federal Well No. 3, to the Federal "MA" facility located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 21, T. 18 S., R. 33 E., is hereby approved. Please notify this office if there is any future change in the facility location.

This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. 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.

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

Sincerely,

A handwritten signature in cursive script that reads "Richard L. Manus". The signature is written in dark ink and is positioned above the typed name.

Richard L. Manus
Area Manager