



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

**AMENDED COMMINGLING ORDER PC-849**

Meridian Oil, Inc.  
P.O. Box 51810  
Midland, TX 79710-1810

Attention: Donna J. Williams

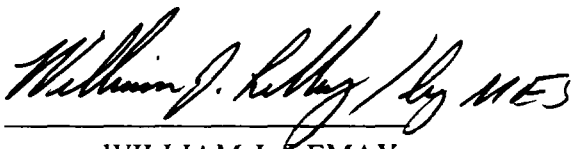
**LEASE NAME:** *Checkerboard "23" Federal Lease*  
**DESCRIPTION:** *W/2, NE/4, W/2 SE/4 of Section 23, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.*

The above-named company is hereby authorized to commingle Red Tank-Bone Spring and West Red Tank-Delaware Pool production in a common tank battery and to determine the production each from pool by separately metering the gas production from each well prior to commingling, and determining the oil production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

**FURTHER:** The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

**NOTE:** This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 21st day of March, 1994.

  
WILLIAM J. LEMAY,  
Director

cc: Oil Conservation Division- Hobbs  
US Bureau of Land Management - Carlsbad



# MERIDIAN OIL

FEBRUARY 23, 1994

MR. DAVID CATANACH  
OIL CONSERVATION DIVISION  
P.O. BOX 2088  
SANTA FE, NEW MEXICO 87504

RE: AMENDING OF PC-849

MR. CATANACH:

MERIDIAN OIL INC. RESPECTFULLY REQUESTS APPROVAL TO ADD THE FOLLOWING WELLS TO THE EXISTING COMMINGLING ORDER PC-849; AND FURTHERMORE ADD ANY SUBSEQUENT WELLS IN THE FUTURE THAT ARE ON THE SAME LEASE AS DESCRIBED AND IN EITHER THE WEST RED TANK DELAWARE AND RED TANK BONE SPRING POOLS.

CHECKERBOARD 23 FEDERAL # 3	F, 2310' FNL & 2295' FWL
CHECKERBOARD 23 FEDERAL # 4	C, 990' FNL & 1980' FWL
CHECKERBOARD 23 FEDERAL # 5	L, 990' FWL & 2310' FSL
CHECKERBOARD 23 FEDERAL # 6	M, 403' FWL & 879' FSL

ALL OF THESE WELLS ARE IN SECTION 23, T22S, R32E, FEDERAL LEASE NO: NM 81633  
LEA COUNTY, NEW MEXICO.

PRODUCTION FROM THESE WELLS IS AS FOLLOWS:

WELL NAME	BOPD	OIL GRAVITY	MCFPD	FORMATION
Checkerboard 23 Fed. # 3	100	39.1	200	Delaware
Checkerboard 23 Fed. # 4	100	45.0	190	Bone Spring
Checkerboard 23 Fed. # 5	100	45.0	190	Bone Spring
Checkerboard 23 Fed. # 6	100	45.0	190	Bone Spring

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

THE STORAGE AND MEASURING FACILITY IS LOCATED AT THE SW4/SE4 OF SEC. 23, T22S, R32E, LEA COUNTY, NM.

ALL OF THE CHECKERBOARD WELLS WILL BE MEASURED PRIOR TO COMMINGLING

THE PROPOSED AMENDMENT OF PC 849 IS IN THE INTEREST OF CONSERVATION AND IN NO WAY WILL REDUCE THE QUALITY OF THE HYDROCARBON NOR WILL RESULT IN IMPROPER MEASUREMENT OF PRODUCTION. THE PROPOSED COMMINGLING IS NECESSARY FOR CONTINUED OPERATION OF THE ABOVE REFERENCED LEASE.

PLEASE FIND ATTACHED A COPY OF THE APPLICATION SUBMITTED AND APPROVED  
BY THE BUREAU OF LAND MANAGEMENT AND A COPY OF THE ORIGINAL  
COMMINGLING ORDER ISSUED NOVEMBER 8, 1993.

SINCERELY,

A handwritten signature in dark ink, appearing to read 'Donna J. Williams', written in a cursive style.

DONNA J. WILLIAMS  
PRODUCTION ASSISTANT  
915-688-6943

## OPERATOR'S COPY

Form 3160-5  
(June 1990)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

## SUBMIT IN TRIPLICATE

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
MERIDIAN OIL INC.3. Address and Telephone No.  
P.O. BOX 51810 MIDLAND, TEXAS 79710 915-688-6943

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEC. 23, T22S, R32E

5. Lease Designation and Serial No.

NM 81633

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

CHECKERBOARD 23 FEDERAL

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

LEA COUNTY, NM

## 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

- ☐
- Notice of Intent
- 
- ☒
- Subsequent Report
- 
- ☐
- Final Abandonment Notice

## TYPE OF ACTION

- ☐
- Abandonment
- 
- ☐
- Recompletion
- 
- ☐
- Plugging Back
- 
- ☐
- Casing Repair
- 
- ☐
- Altering Casing
- 
- ☒
- Other AMEND SURFACE COMMINGLING
- 
- & MEASUREMENT APPROVAL PERMIT
- 
- ☐
- Change of Plans
- 
- ☐
- New Construction
- 
- ☐
- Non-Routine Fracturing
- 
- ☐
- Water Shut-Off
- 
- ☐
- Conversion to Injection
- 
- ☐
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

APPLICATION TO AMEND SURFACE COMMINGLING AND MEASUREMENT APPROVAL OF HYDROCARBON PRODUCTION FROM THE WEST RED TANK DELAWARE POOL AND THE RED TANK BONE SPRING POOL ON FEDERAL LEASE NO. NM 81633, CHECKERBOARD 23 FEDERAL LEASE.

SEE ATTACHED FORMAT

14. I hereby certify that the foregoing is true and correct

Signed Donna WilliamsTitle Production AssistantDate 12/20/93

(This space for Federal or State office use)

Approved by Adam Sclavich  
Conditions of approval, if any:Title Production AssistantDate 12/23/93

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See instruction on Reverse Side



**APPLICATION FOR SURFACE COMMINGLING AND MEASUREMENT APPROVAL FOR TWO POOLS ON THE SAME LEASE.**

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

**MERIDIAN OIL INC. IS REQUESTING APPROVAL FOR SURFACE COMMINGLING AND MEASUREMENT OF HYDROCARBON PRODUCTION FROM THE WEST RED TANK DELAWARE POOL AND THE RED TANK BONE SPRING POOL ON LEASE NO. NM 81633; CHECKERBOARD 23 FEDERAL LEASE IN LEA COUNTY, NEW MEXICO.**

<u>WELL NO.</u>	<u>LOC.</u>	<u>SEC.</u>	<u>TWP.</u>	<u>RNG.</u>	<u>FORMATION</u>
1	J	23	22S	32E	DELAWARE
2	O	23	22S	32E	BONE SPRING
3	F	23	22S	32E	DELAWARE
4 (PROPOSED)	C	23	22S	32E	BONE SPRING
5 (PROPOSED)	L	23	22S	32E	BONE SPRING
6 (PROPOSED)	M	23	22S	32E	BONE SPRING

**PRODUCTION FROM THE WELLS INVOLVED IS AS FOLLOWS:**

<u>WELL NAME AND NO.</u>	<u>BOPD</u>	<u>OIL GRAVITY</u>	<u>MCFPD</u>
CHECKERBOARD 23 FED # 1	230	39.1	230
CHECKERBOARD 23 FED # 2	92	45.0	190
CHECKERBOARD 23 FED # 3	100	39.1	200
CHECKERBOARD 23 FED # 4 (PRO)	100	45.0	190
CHECKERBOARD 23 FED # 5 (PRO)	100	45.0	190
CHECKERBOARD 23 FED # 6 (PRO)	100	45.0	190

**THE PROPOSED OPERATION IS DESCRIBED IN DETAIL ON THE ATTACHED DIAGRAM.**

**A MAP IS ENCLOSED SHOWING THE LEASE NUMBER 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 SW4/SE4 OF SEC. 23, T22S, R32E ON LEASE NO NM 81633, 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:**

**WELL NO. 1 OIL AND GAS WILL BE METERED**

**WELL NO. 2 OIL WILL BE METERED AND GAS WILL BE CALCULATED**

**WELL NO. 3 OIL AND GAS WILL BE METERED WITH THE # 1 AND ALLOCATED BY WELL TESTS**

**WELL NO. 4 OIL WILL BE METERED AND GAS WILL BE CALCULATED**

**WELL NO. 5 OIL WILL BE METERED AND GAS WILL BE CALCULATED**

**WELL NO. 6 OIL WILL BE METERED AND GAS WILL BE CALCULATED**

**EACH WELL HAS ITS OWN 3-PHASE HEATER TREATER. BOTH 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. WELL NO. 1 IS ALSO EQUIPPED WITH AN ORIFICE TEST METER TO MEASURE THE GAS VOLUMES. WELL NO. 2, 4, 5 & 6 GAS VOLUMES WILL BE CALCULATED BY SUBTRACTING THE VOLUME FOR WELL NO. 1 FROM THE TOTAL LEASE SALES VOLUME. WELL NO 3 IS COMMINGLED WITH WELL NO. 1 AND WILL BE ALLOCATED BY MONTHLY WELL TESTS.**

**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 LEASE.**

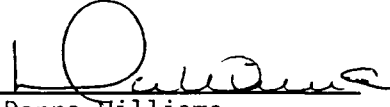
**WE UNDERSTAND THAT THE REQUESTED APPROVAL WILL NOT CONSTITUTE THE GRANTING OF ANY RIGHT OF WAY OR CONSTRUCTION RIGHTS NOT GRANTED BY THE LEASE INSTRUMENT. AND, WE WILL SUBMIT WITHIN 30 DAYS AN APPLICATION FOR RIGHT OF WAY APPROVAL TO THE BLM'S REALTY SECTION IN YOUR OFFICE IF WE HAVE NOT ALREADY DONE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

**SIGNATURE:**

**NAME:**

**TITLE:**

**DATE:**

  
Donna Williams  
Production Assistant  
December 20, 1993



**MERIDIAN OIL INC.**  
**CHECKERBOARD 23 FEDERAL LEASE**  
**LEASE NO. NM-81633**  
**SEC. 23, T-22-S, R-32-E**  
**LEA COUNTY, NEW MEXICO**

**LEASE DESCRIPTION: 560 ACRES IN LEASE**  
**ALL OF SECTION 23 EXCEPT FOR THE E/2 OF THE SE/4**

**WEST RED TANK DELAWARE POOL AND RED TANK BONE SPRING POOL**

**WELL NO. 1, J, 1980' FSL & 1980' FEL**  
**WELL NO. 2, O, 330' FSL & 1650' FEL**  
**WELL NO. 3, F, 2310' FNL & 2295' FWL**

**WELL NO. 4, C, 990' FNL & 1980' FWL**  
**WELL NO. 5, L, 990' FWL & 2310' FSL**  
**WELL NO. 6, M, 403' FWL & 879' FSL**

SEC. 15

SEC. 14

SEC. 13

SEC. 22

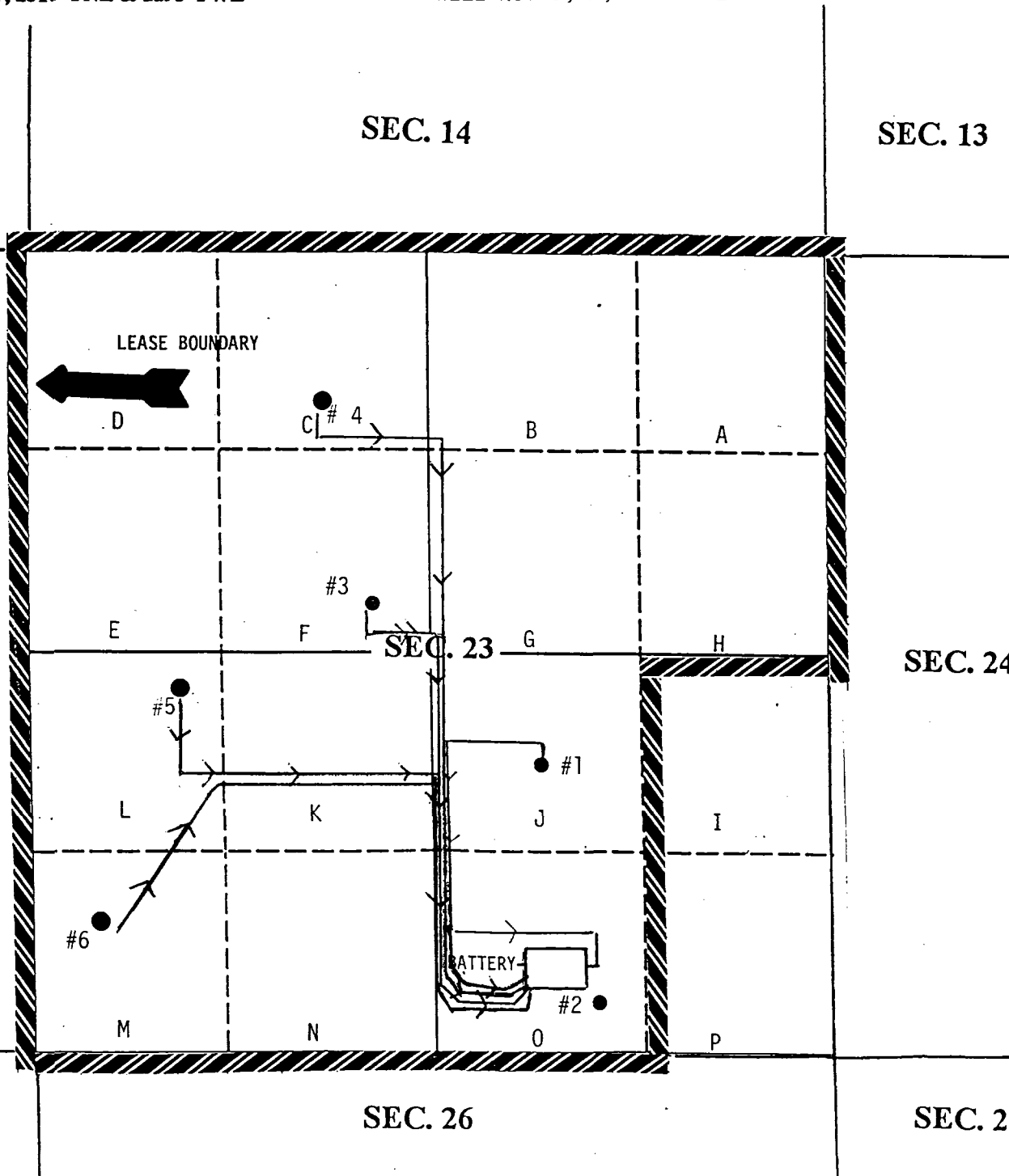
SEC. 23

SEC. 24

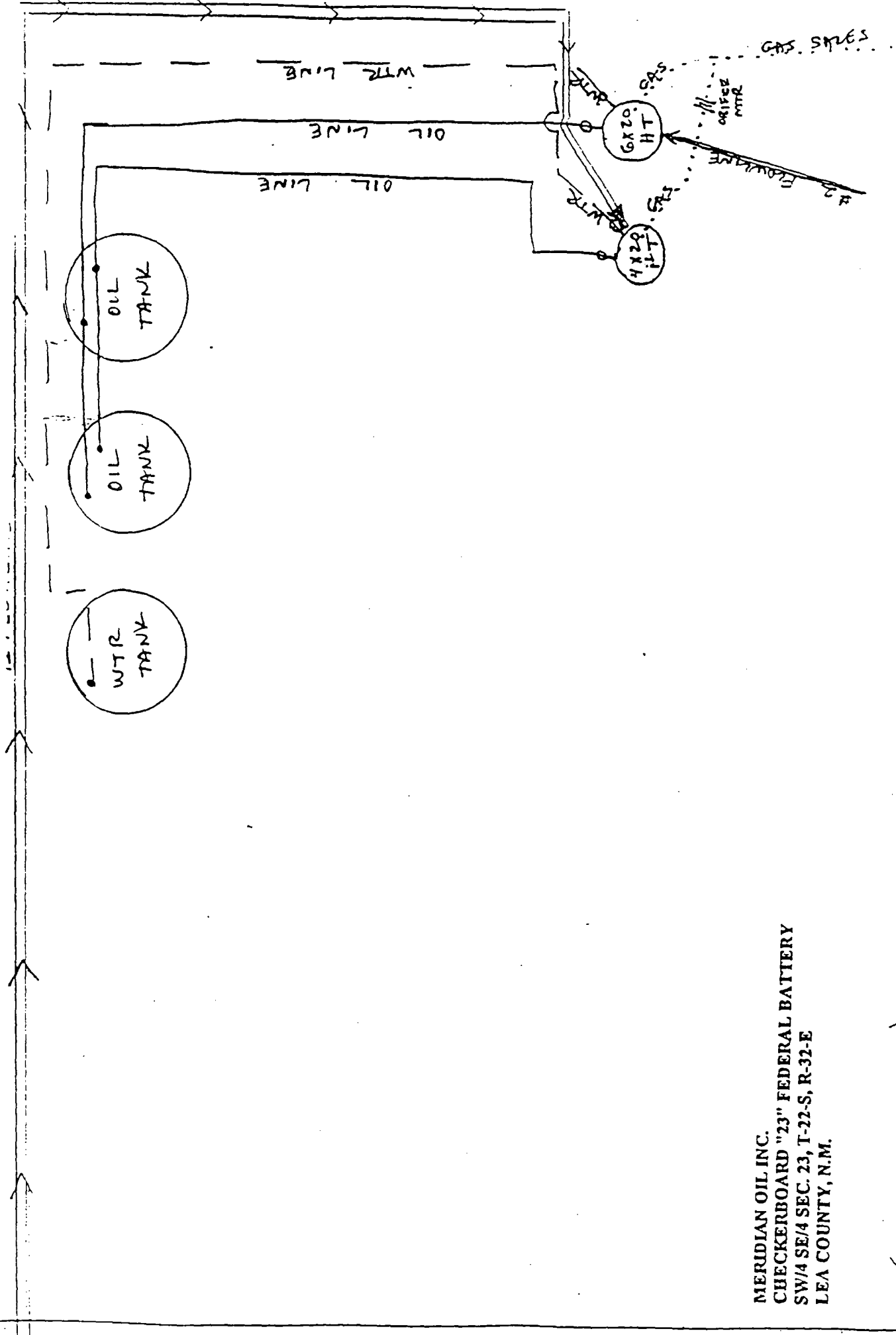
SEC. 27

SEC. 26

SEC. 25







MERIDIAN OIL INC.  
 CHECKERBOARD "23" FEDERAL BATTERY  
 SW/4 SE/4 SEC. 23, T-22-S, R-32-E  
 LEA COUNTY, N.M.

(NOT TO SCALE)



UNITED STATES OIL CONSERVATION DIVISION  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. OIL CONS. COMMISSION  
P.O. BOX 1980  
HOBBS, NEW MEXICO 88240

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
MERIDIAN OIL INC.

3. Address and Telephone No.  
P.O. Box 51810 Midland, TX 79710 915-688-6943

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SEC. 23, T22S, R32E

5. Lease Designation and Serial No.  
NM 81633

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No. CHECKERBOARD  
23 FEDERAL LEASE

9. API Well No.

10. Field and Pool, or Exploratory Area  
RED TANK

11. County or Parish, State  
LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other AMENDING COMMINGLING  
REQUEST FROM 3/28/94

- ☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

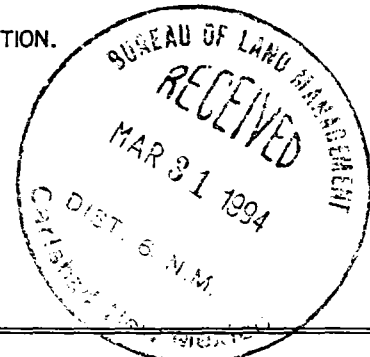
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

IN REGARDS TO THE PREVIOUS REQUEST SENT ON MARCH 28, 1994 TO ADD THE RED TANK FEDERAL LEASE TO THE EXISTING COMMINGLING OF THE CHECKERBOARD 23 FEDERAL LEASE. UPON FURTHER EXAMINATION, WE AT MERIDIAN OIL INC. ARE REQUESTING TO CHANGE THE METHOD OF MEASURING THE GAS AMOUNT. AT VARIOUS TIMES OF THE MONTH, EACH OIL WELL IS SENT TO THE TEST VESSEL SITUATED BY THE COMMON STORAGE VESSEL LOCATED AT THE SW4/SE4 OF SEC. 23, T22S, R32E IN LEA COUNTY, NEW MEXICO. WE ARE REQUESTING THAT THE GAS BE MEASURED AT THAT TIME AT THE TEST VESSEL.

WE FURTHER REQUEST THAT ON THE RED TANK FEDERAL LEASE, AT THE TIME THE WELL(S) ARE SENT THRU THE SATELLITE PRIOR TO LEAVING THE LEASE TO THE BATTERY, THAT THE GAS BE MEASURED AT THAT TIME.

THIS REQUEST IS TO REPLACE THE INDIVIDUAL METERING OF EACH WELL'S GAS PRODUCTION.



14. I hereby certify that the foregoing is true and correct

Signed Donna Williams Title PRODUCTION ASSISTANT

Date 3/30/94

(This space for Federal or State office use)

Approved by Orig. Signed by Adam Salameh

Title   

Date 4/7/94

Conditions of approval, if any:





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. OIL CONS. COMMISSION  
P.O. BOX 1980  
HOBBS, NEW MEXICO 88240  
Budget Bureau No. 1004-0155  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

MERIDIAN OIL INC.

3. Address and Telephone No.

P.O. Box 51810 Midland, TX 79710

915-688-6943

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEC. 23, T2S, R32E

5. Lease Designation and Serial No.

NM 81833

6. Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No. CHECKERBOARD

'23' FEDERAL LEASE

9. API Well No.

10. Field and Pool, or Exploratory Area

RED TANK

11. County or Parish, State

LEA COUNTY, NEW MEXICO

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other AMEND COMMINGLING ORDER  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

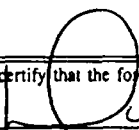
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

MERIDIAN OIL INC. RESPECTFULLY REQUESTS TO AMEND THE COMMINGLING ORDER ON THE CHECKERBOARD '23' FEDERAL LEASE AND ADD THE RED TANK FEDERAL LEASE (NM 77058). REQUESTING APPROVAL FOR SURFACE COMMINGLING, OFF LEASE STORAGE AND MEASUREMENT OF HYDROCARBON PRODUCTION FROM THE WEST RED TANK DELAWARE AND RED TANK BONE SPRING FIELD(S).

SEE ATTACHED APPLICATION.

14. I hereby certify that the foregoing is true and correct

Signed

 BONNI WILLIAMS

Title PRODUCTION ASSISTANT

Date 3/25/94

(This space for Federal or State office use)

Approved by Orig. Signed by Adam Oslamah  
Conditions of approval, if any:

Title Petroleum Engineer

Date 4/7/94



**APPLICATION FOR SURFACE COMMINGLING, OFF LEASE STORAGE, AND  
MEASUREMENT APPROVAL FOR TWO POOLS ON TWO LEASES.**

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

**MERIDIAN OIL INC. IS REQUESTING APPROVAL FOR SURFACE COMMINGLING, OFF  
LEASE STORAGE, AND MEASUREMENT OF HYDROCARBON PRODUCTION FROM THE  
WEST RED TANK DELAWARE POOL AND THE RED TANK BONE SPRING POOL ON  
LEASE NO. NM 81633; CHECKERBOARD 23 FEDERAL LEASE IN LEA COUNTY, NEW  
MEXICO, AND LEASE NO. NM 77058; RED TANK FEDERAL LEASE IN LEA COUNTY, NM**

**CHECKERBOARD 23 FEDERAL LEASE NM 81633**

**WELL**

<b><u>NO.</u></b>	<b><u>LOC.</u></b>	<b><u>SEC.</u></b>	<b><u>TWP.</u></b>	<b><u>RNG.</u></b>	<b><u>FORMATION</u></b>
1	J	23	22S	32E	DELAWARE
2	O	23	22S	32E	BONE SPRING
3	F	23	22S	32E	DELAWARE
4	C	23	22S	32E	DELAWARE
5	L	23	22S	32E	DELAWARE
6	M	23	22S	32E	DELAWARE

**RED TANK FEDERAL LEASE NM 77058**

1	N	14	22S	32E	DELAWARE
3 (Proposed)	P	14	22S	32E	DELAWARE
4 (Proposed)	J	14	22S	32E	DELAWARE

**PRODUCTION FROM THE WELLS INVOLVED IS AS FOLLOWS:**

<b><u>WELL NAME AND NO.</u></b>	<b><u>BOPD</u></b>	<b><u>OIL GRAVITY</u></b>	<b><u>MCFPD</u></b>
CHECKERBOARD 23 FED # 1	107	39.1	115
CHECKERBOARD 23 FED # 2	40	41.0	74
CHECKERBOARD 23 FED # 3	120	39.1	150
CHECKERBOARD 23 FED # 4	280	39.1	200
CHECKERBOARD 23 FED # 5	130	45.0	190
CHECKERBOARD 23 FED # 6 (PRO)	100	39.1	190
RED TANK FEDERAL # 1 (PRO)	100	39.1	190
RED TANK FEDERAL # 3 (PRO)	100	39.1	190
RED TANK FEDERAL # 4 (PRO)	100	39.1	190



**THE PROPOSED OPERATION IS DESCRIBED IN DETAIL ON THE ATTACHED DIAGRAM.**

**A MAP IS ENCLOSED SHOWING THE LEASE NUMBER 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 SW4/SE4 OF SEC. 23, T22S, R32E ON LEASE NO NM 81633, 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:**

**CHECKERBOARD 23 FEDERAL LEASE**

**ALL OF THE WELLS ON THE CHECKERBOARD 23 FEDERAL LEASE (NM 81633) AT VARIOUS TIMES OF THE MONTH ARE ROUTED TO A TEST VESSEL SITUATED BY THE COMMON STORAGE VESSEL TO BE INDIVIDUALLY TESTED. (WELL TESTS) ALL THE GAS IS METERED.**

**THE RED TANK FEDERAL LEASE (NM 77058) WELLS PRIOR TO GOING OFF LEASE TO THE COMMON STORAGE AND TEST VESSEL WILL BE SENT THRU A SATELLITE FOR ALLOCATION PURPOSES. ALL THE GAS IS ALSO MEASURED.**

**SEE ATTACHED DIAGRAMS.**

**MERIDIAN OWNS 100% OF THE RED TANK FEDERAL LEASE (NM 77058). MERIDIAN OWNS 87.6% OF THE CHECKERBOARD 23 LEASE (NM 81633). THE WORKING INTEREST OWNERS HAVE BEEN NOTIFIED AND HAVE NO OBJECTION TO THIS ARRANGEMENT.**

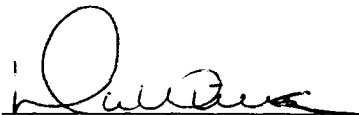
**THE PROPOSED COMMINGLING OF PRODUCTION IS IN THE INTEREST OF CONSERVATION AND WILL NOT RESULT IN REDUCED ROYALTY OR IMPROPER MEASUREMENT OF PRODUCTION.**

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



**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:



NAME:

Donna Williams

TITLE:

Production Assistant

DATE:

3/28/94





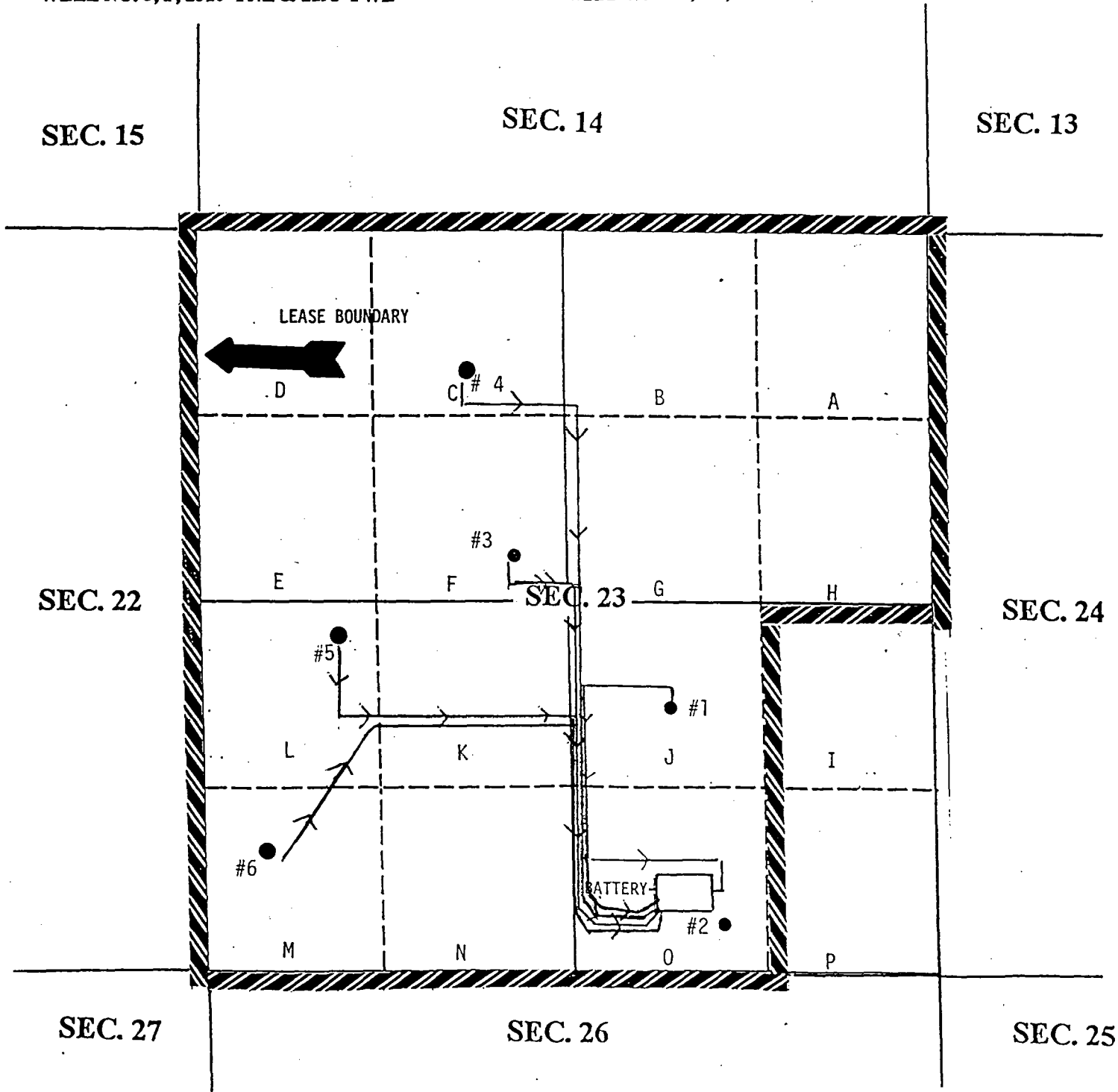
**MERIDIAN OIL INC.**  
**CHECKERBOARD 23 FEDERAL LEASE**  
**LEASE NO. NM-81633**  
**SEC. 23, T-22-S, R-32-E**  
**LEA COUNTY, NEW MEXICO**

**LEASE DESCRIPTION: 560 ACRES IN LEASE**  
**ALL OF SECTION 23 EXCEPT FOR THE E/2 OF THE SE/4**

**WEST RED TANK DELAWARE POOL AND RED TANK BONE SPRING POOL**

**WELL NO. 1, J, 1980' FSL & 1980' FEL**  
**WELL NO. 2, O, 330' FSL & 1650' FEL**  
**WELL NO. 3, F, 2310' FNL & 2295' FWL**

**WELL NO. 4, C, 990' FNL & 1980' FWL**  
**WELL NO. 5, L, 990' FWL & 2310' FSL**  
**WELL NO. 6, M, 403' FWL & 879' FSL**





(NOT TO SCALE)



**MERIDIAN OIL INC.**  
**RED TANK FEDERAL LEASE**  
**LEASE NO. NM 77058**  
**SEC. 14, T-22-S, R-32-E**  
**LEA COUNTY, NEW MEXICO**

**LEASE DESCRIPTION: 240 ACRES IN LEASE**  
**ALL OF THE SOUTHWEST QUARTER OF SEC. 14 AND NW/SE AND SW/SE QUARTER OF**  
**SEC. 14**

**WEST RED TANK DELAWARE POOL AND RED TANK BONE SPRING POOL**

SEC. 10

SEC. 11

SEC. 12

16

SEC. 15

SEC. 14

SEC. 13

# 3

# 4

# 2 SWD

# 1

SEC. 22

SEC. 23

SEC. 24





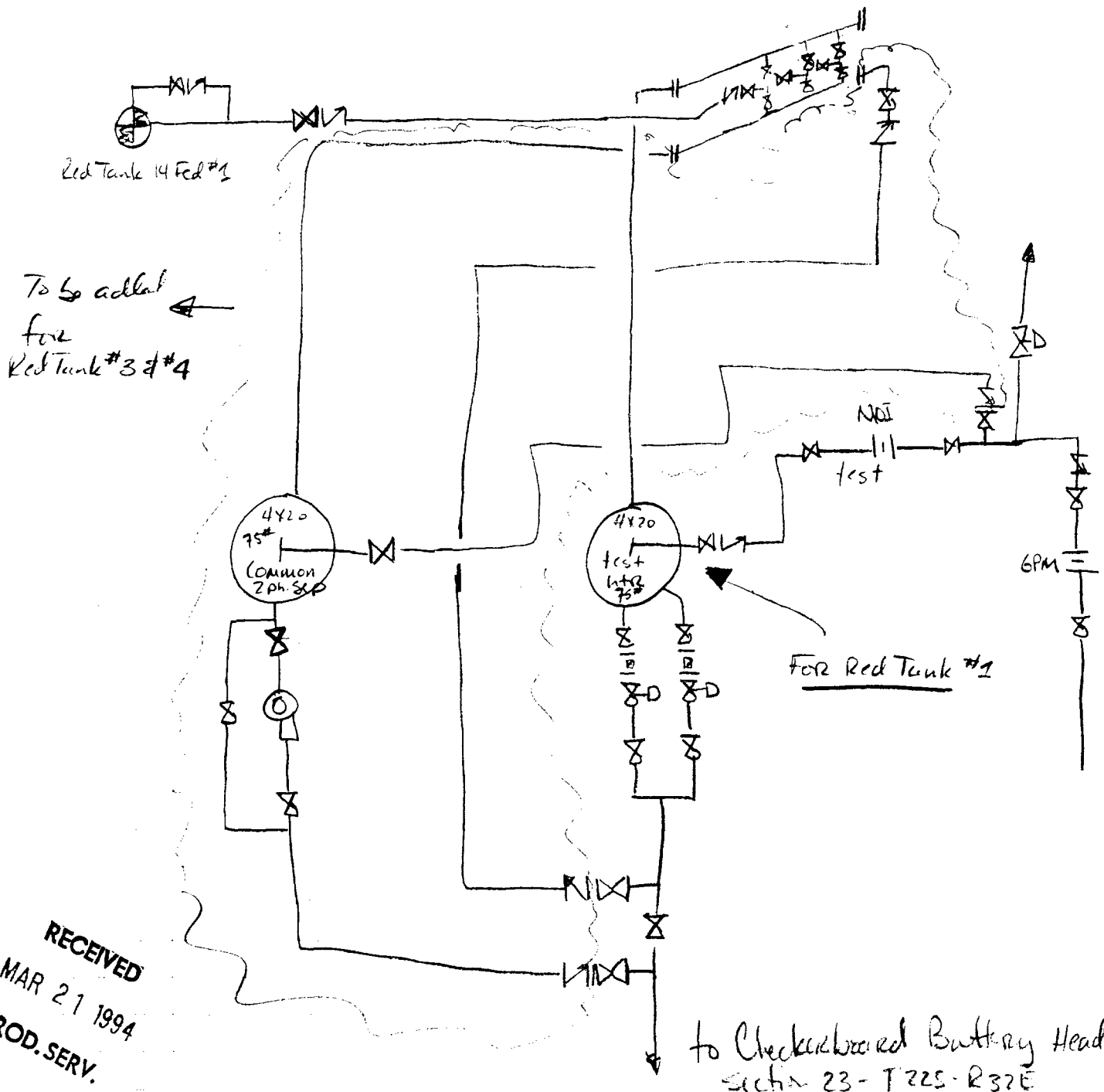
Compressor Systems, Inc.

ENGINEERING CHART

DATE 3/18/94  
BY J. L. Plante

SUBJECT Red Tank Proposed Satellite.  
UL N Section 14 T22S-R32E  
Lea County, NM

No Scale



RECEIVED  
MAR 21 1994  
PROD. SERV.





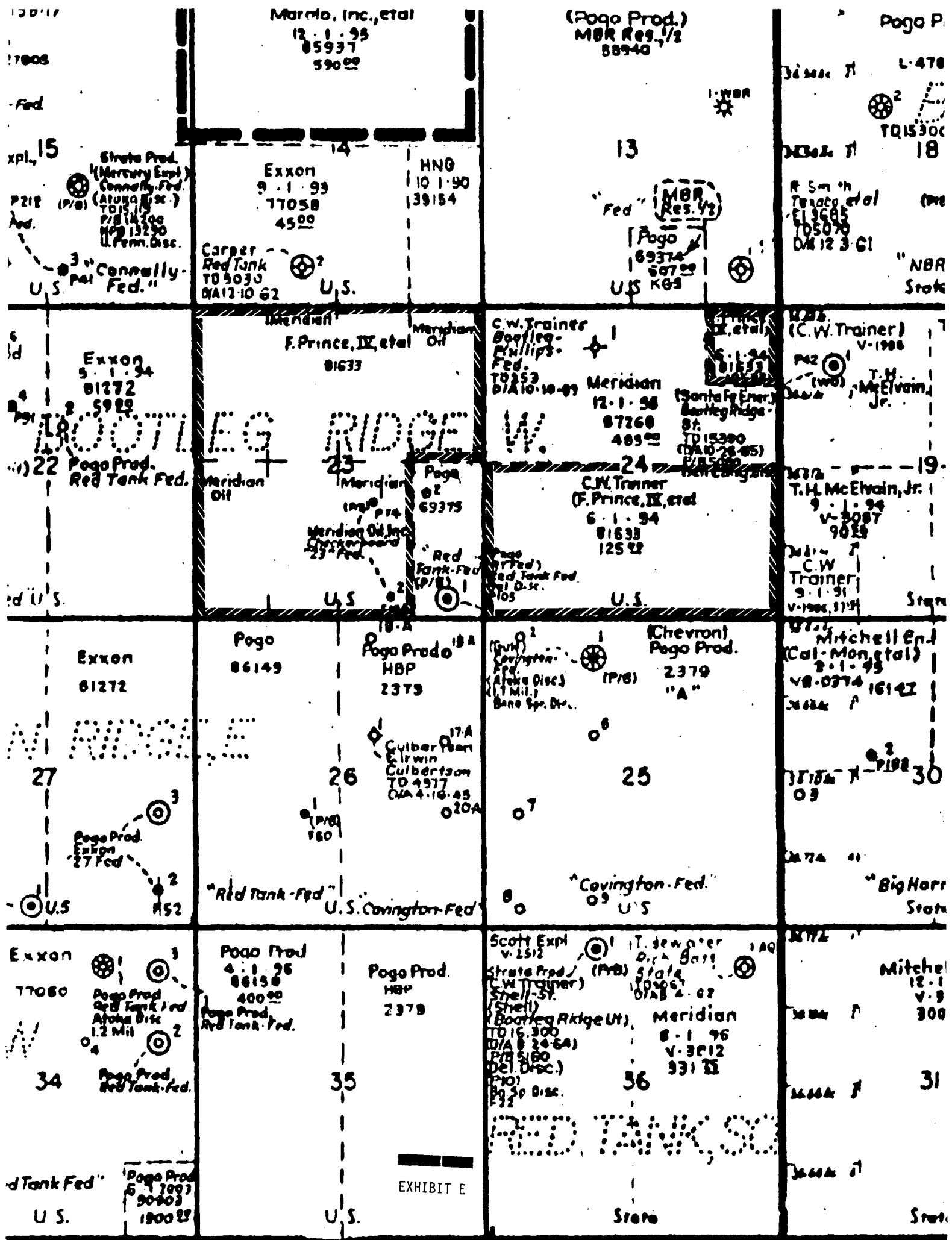


EXHIBIT E



RED TANK UNIT FEDERAL No. 1  
(DRY HOLE MARKER)  
CALLED: 660' FSL & 1980' FWL  
MEASURED: 542' FSL & 1958' FWL  
SECTION 14, T 22 S, R 32 E

RED TANK FEDERAL No. 1  
330' FSL & 1980' FWL  
SEC. 14, T 22 S, R 32 E

CHECKERBOARD "23" FEDERAL No. 4  
690' FSL & 1980' FWL  
SECTION 23, T 22 S, R 32 E

#### NOTE - BASIS OF BEARINGS

BEARINGS FOR THIS SURVEY ARE BASED ON THE LINE BETWEEN A BRASS CAP FOUND FOR THE WEST QUARTER CORNER OF SECTION 23, AND A BRASS CAP FOUND FOR THE NORTH WEST CORNER OF SAID SECTION 23, T 22 S, R 32 E, NHPM, THE LINE IS ASSUMED TO BEAR N 0°01'00" W, 2641.32'.

#### LEGAL DESCRIPTION:

AN EASEMENT FOR A PROPOSED FLOWLINE LOCATED IN SECTIONS 14 AND 23, TOWNSHIP 22 SOUTH, RANGE 32 EAST, NHPM, LEA COUNTY, NEW MEXICO, SAID EASEMENT BEING FIFTY FEET WIDE AND BEING TWENTY FIVE FEET ON EITHER SIDE OF THE SURVEY CENTERLINE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FOR SURVEY STATION 0+00.00, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 14 BEARS S 55°35'29" E, 618.76 FEET;

THENCE S 1°30'00" E, AT 336.5 FEET CROSSING AN OVERHEAD SOUTHWESTERN PUBLIC SERVICE COMPANY POWER LINE FOR SURVEY STATION 3+36.5, AT 351.80 FEET CROSSING THE SOUTH LINE OF SAID SECTION 14 INTO SAID SECTION 23 FOR SURVEY STATION 3+31.80, AT 385.7 FEET CROSSING THE CENTER OF AN EXISTING DIRT TRAIL FOR SURVEY STATION 3+85.7, A TOTAL DISTANCE OF 1171.55 FEET TO A POINT FOR SURVEY STATION 11+71.55;

THENCE S 89°48'44" E, AT 140.3 FEET CROSSING AN OVERHEAD POWER LINE FOR SURVEY STATION 13+11.9, AT 489.4 FEET CROSSING AN OVERHEAD SOUTHWESTERN PUBLIC SERVICE COMPANY POWER LINE FOR SURVEY STATION 16+61.0, AT 577.6 FEET CROSSING THE CENTER OF AN EXISTING ROAD FOR SURVEY STATION 17+49.2, A TOTAL DISTANCE OF 597.78 FEET TO A POINT FOR SURVEY STATION 17+49.33;

I hereby certify this plat to be correct to the best of my knowledge.

Laughlin-Simmons

of Texas  
MIDLAND DISTRICT OFFICE  
(915) 699-1238  
(915) 699-8706  
In State Toll Free  
1-800-242-3028

P.O. BOX 1757  
MIDLAND, TX 79702

THENCE S 2°49'59" E, 315.64 FEET TO A POINT FOR SURVEY STATION 20+84.97;

THENCE S 4°11'45" E, 390.17 FEET TO A POINT FOR SURVEY STATION 24+75.14;

THENCE S 3°05'31" W, 618.99 FEET TO A POINT FOR SURVEY STATION 30+94.13;

THENCE S 1°24'24" E, 381.60 FEET TO A POINT FOR SURVEY STATION 34+75.73;

THENCE S 2°08'26" E, 826.60 FEET TO A POINT FOR SURVEY STATION 43+02.33;

THENCE S 2°36'15" E, AT 67.2 FEET CROSSING THE CENTER OF AN EXISTING ROAD FOR SURVEY STATION 43+69.5, AT 108.0 FEET CROSSING AN OVERHEAD POWER LINE FOR SURVEY STATION 44+10.3, A TOTAL DISTANCE OF 187.31 FEET TO A POINT FOR SURVEY STATION 44+89.84;

THENCE S 1°59'11" E, AT 1196.9 FEET CROSSING AN OVERHEAD POWER LINE FOR SURVEY STATION 56+86.7, A TOTAL DISTANCE OF 1396.17 FEET TO A POINT FOR SURVEY STATION 58+86.01;

THENCE S 40°32'18" E, 109.50 FEET TO A POINT FOR SURVEY STATION 59+95.51;

THENCE S 89°47'01" E, 452.36 FEET TO A POINT FOR SURVEY STATION 64+47.87;

THENCE S 37°21'07" E, 72.95 FEET TO A POINT FOR SURVEY STATION 65+20.82;

THENCE S 0°30'04" W, 209.15 FEET TO A POINT FOR SURVEY STATION 67+29.97;

THENCE S 87°25'57" E, 252.13 FEET TO A POINT FOR SURVEY STATION 69+82.10;

THENCE S 1°11'07" W, 77.25 FEET TO POINT OF TERMINATION OF THE HEREIN DESCRIBED SURVEY CENTERLINE AT SURVEY STATION 70+59.35, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 23 BEARS S 67°08'07" W, 1136.60 FEET;

SAID EASEMENT BEING 7059.35 FEET OR 427.84 RODS OR 1.34 MILES IN LENGTH, SUCH LENGTH BEING ALLOCATED BY FOOTAGE AS FOLLOWS:

SE/4 of SW/4 SECTION 14	-	21.32 RODS
NW/4 of NW/4 SECTION 23	-	78.37 RODS
NW/4 of SE/4 SECTION 23	-	37.76 RODS
SW/4 of SE/4 SECTION 23	-	80.19 RODS
NW/4 of SE/4 SECTION 23	-	80.08 RODS
SW/4 of SE/4 SECTION 23	-	130.12 RODS
TOTAL	-	427.84 RODS

MERIDIAN OIL INC.

RED TANK FEDERAL No. 1

PROPOSED FLOWLINE EASEMENT

LEA COUNTY, NEW MEXICO



