

MERIDIAN OIL

CTB 406 2-1-95
OIL CONSERVATION DIVISION
RECEIVED

35 JAN 11 PM 8 52

January 10, 1995

Mr. David Catanach
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

RE: Application For Surface Commingling, Off Lease Storage, & Measurement
Red Tank Federal Lease (NM 77058)
Redchecker Federal Lease (NM 94096)
Lea County, New Mexico

Mr. Catanach:

Meridian Oil Inc. respectfully requests approval for Surface Commingling, Off Lease Storage, & Measurement of Hydrocarbons for the Red Tank Federal Lease (NM 77058) and the Redchecker Federal Lease (NM 94096) all located in Sec. 14, T22S R32E in Lea County, New Mexico. All production is from the West Red Tank Delaware Field.

RED TANK FEDERAL LEASE (NM 77058)

Red Tank Federal # 1	14	22S	32E	Delaware	NM 77058	Prod.
Red Tank Federal # 2 SWD	14	22S	32E	Delaware	NM 77058	Disp.
Red Tank Federal # 3	14	22S	32E	Delaware	NM 77058	Prod.
Red Tank Federal # 4	14	22S	32E	Delaware	NM 77058	Prod.
Red Tank Federal # 5	14	22S	32E	Delaware	NM 77058	Prod.
Red Tank Federal # 6	14	22S	32E	Delaware	NM 77058	Prod.

REDCHECKER FEDERAL LEASE (NM 94096)

Redchecker '14' Federal # 1	14	22S	32E	Delaware	NM 94096	w/o completion
Redchecker '14' Federal # 2	14	22S	32E	Delaware	NM 94096	to be drilled

Due to future drilling on all leases, we are asking for lease/field commingling in the West Red Tank Delaware field, Lea County, New Mexico.

Proposed production is as follows:

<u>LEASE NAME</u>	<u>BOPD</u>	<u>OIL GRAVITY</u>	<u>MCFPD</u>	<u>FORMATION</u>
Red Tank Federal	350	43.0	426	Delaware
Redchecker Federal *	400	42.0	350	Delaware

* This production is based on reservoir studies from surrounding wells.

A map is enclosed showing the leases(s) and location of all wells that will contribute production to the proposed commingling/common storage facility.

The storage and measuring facility is located in the SE/SW of Sec. 14, T22S, R32E, Lea County, New Mexico. All the production involved will be separately measured at various times of the month via a test vessel situated by the common storage vessel to be individually tested (well tests). The gas at the will be metered and sold.

Meridian is 100% working interest owners for all the leases to be involved in the commingling.

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.

Please find attached a copy of the application submitted to the Bureau of Land Management.

Sincerely,

Donna J. Williams
Regulatory Assistant

MERIDIAN OIL

MERIDIAN OIL INC.

RED TANK FEDERAL LEASE

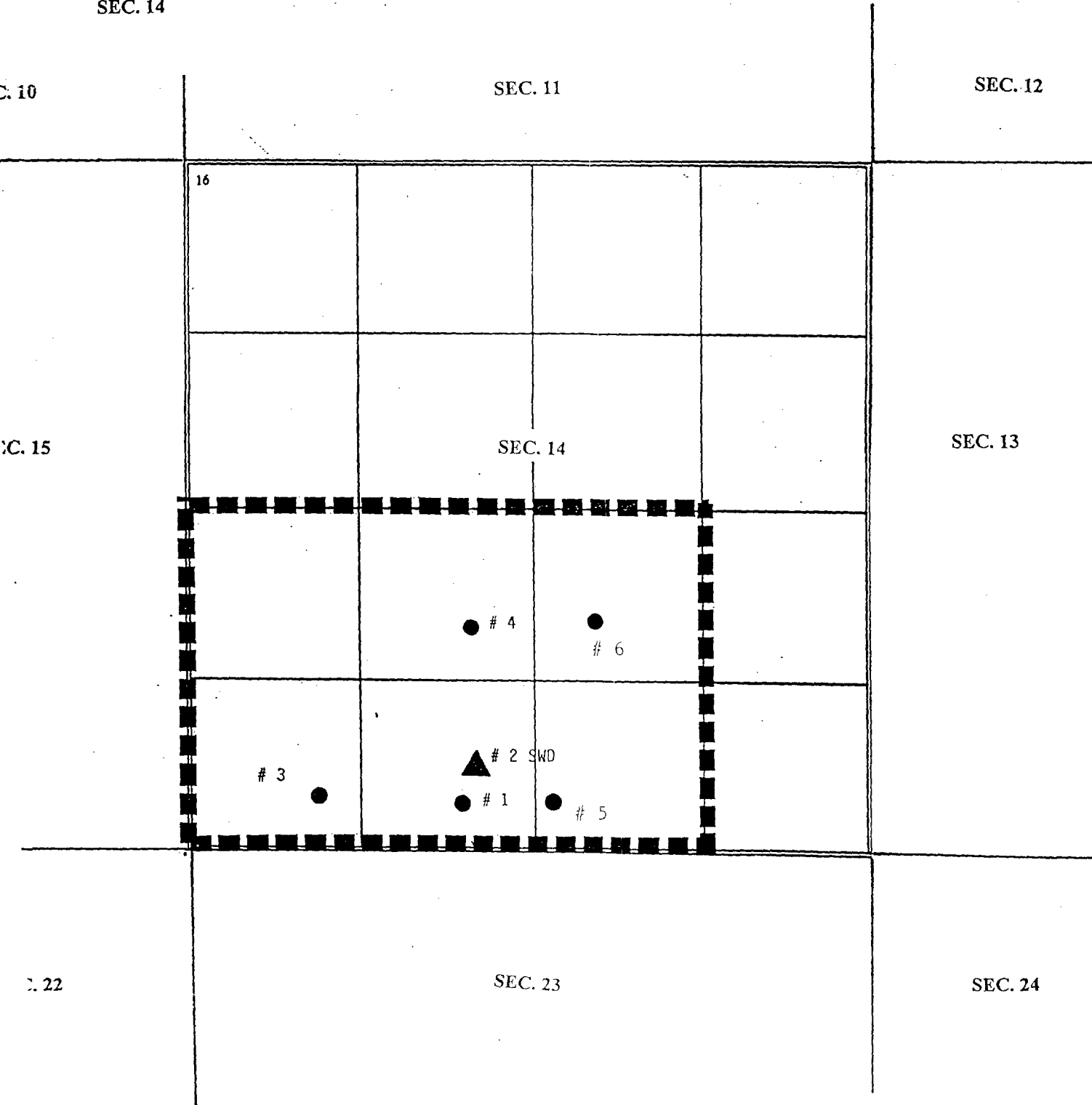
LEASE NO. NM 77058

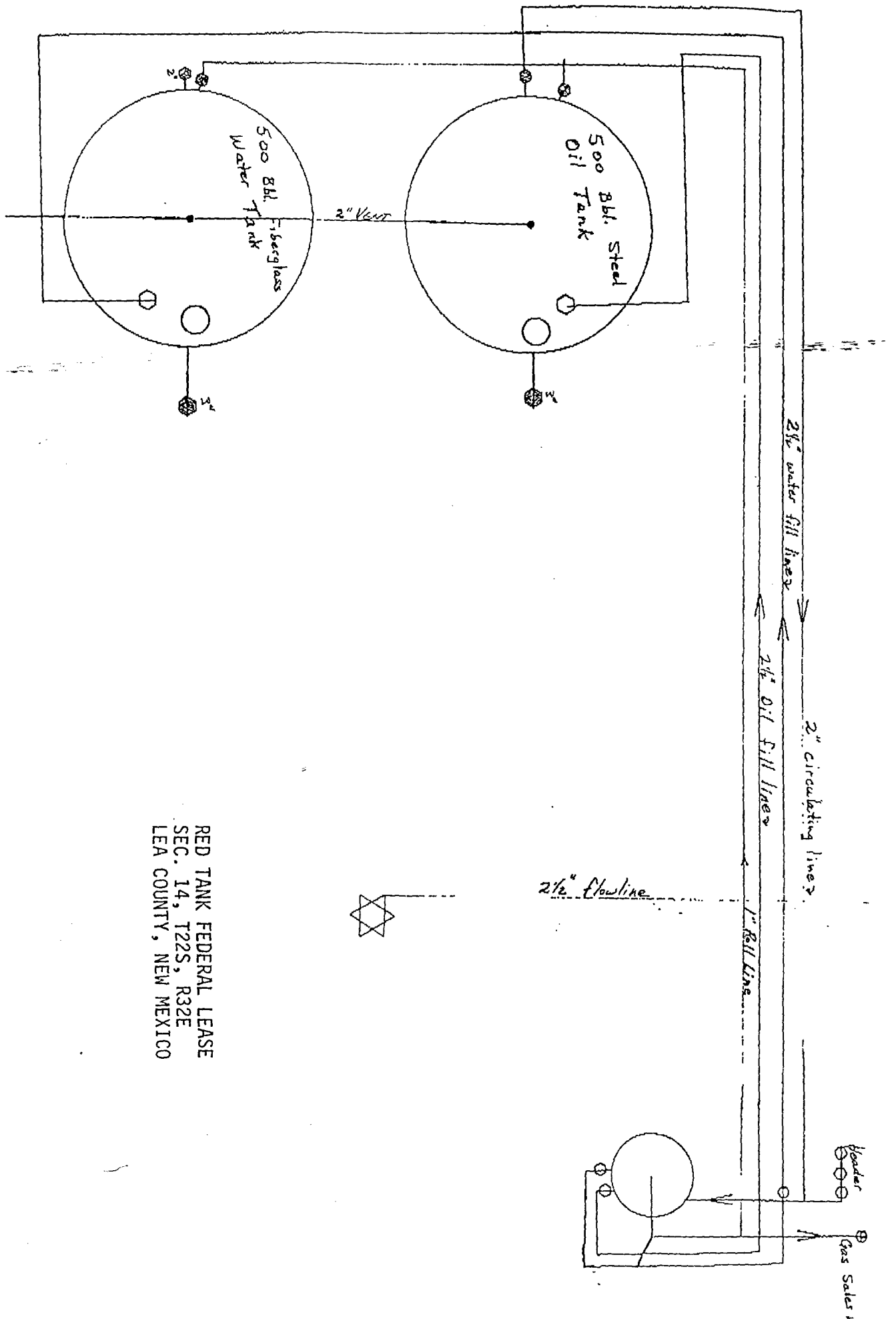
SEC. 14, T-22-S, R-32-E

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

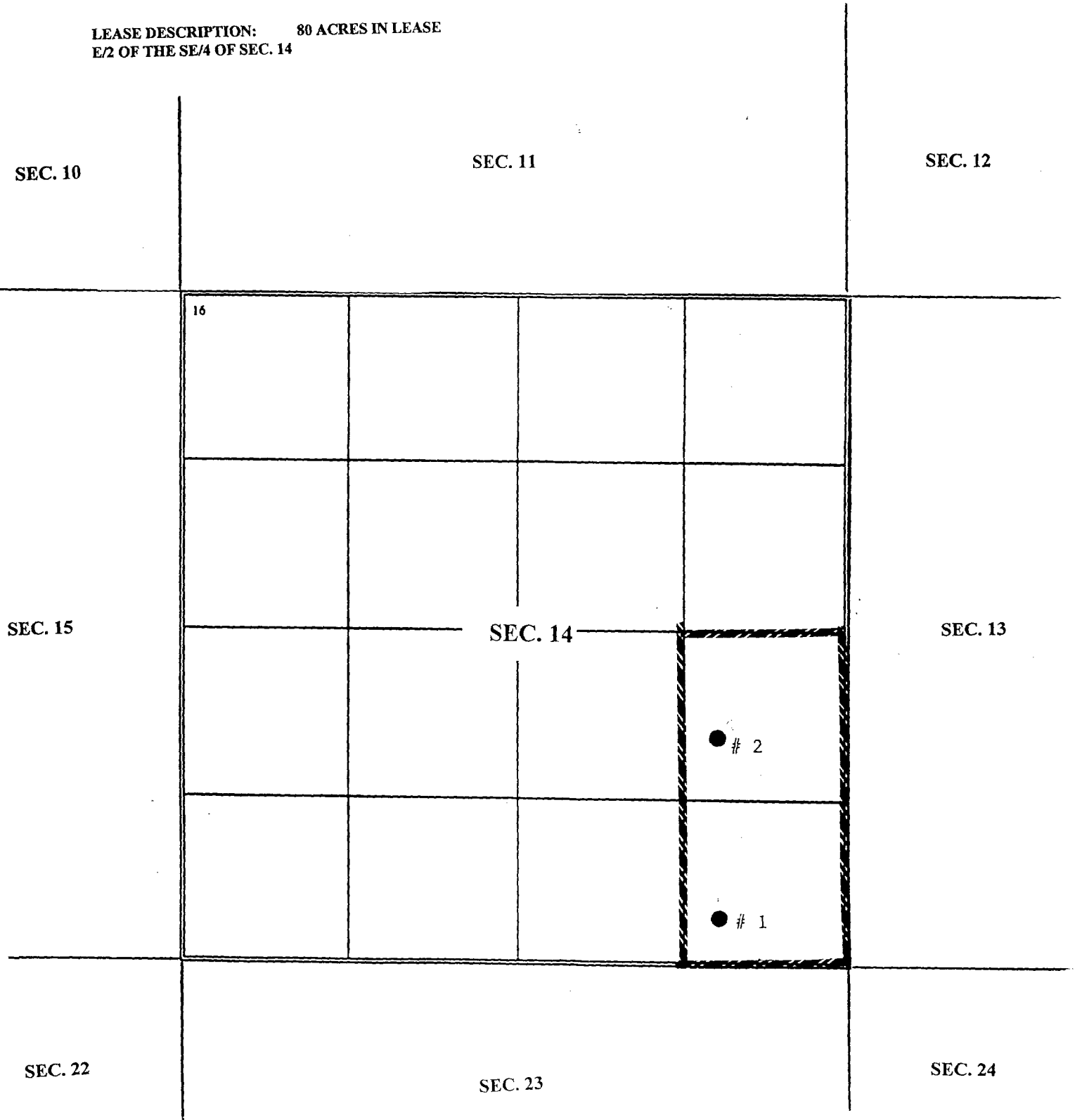


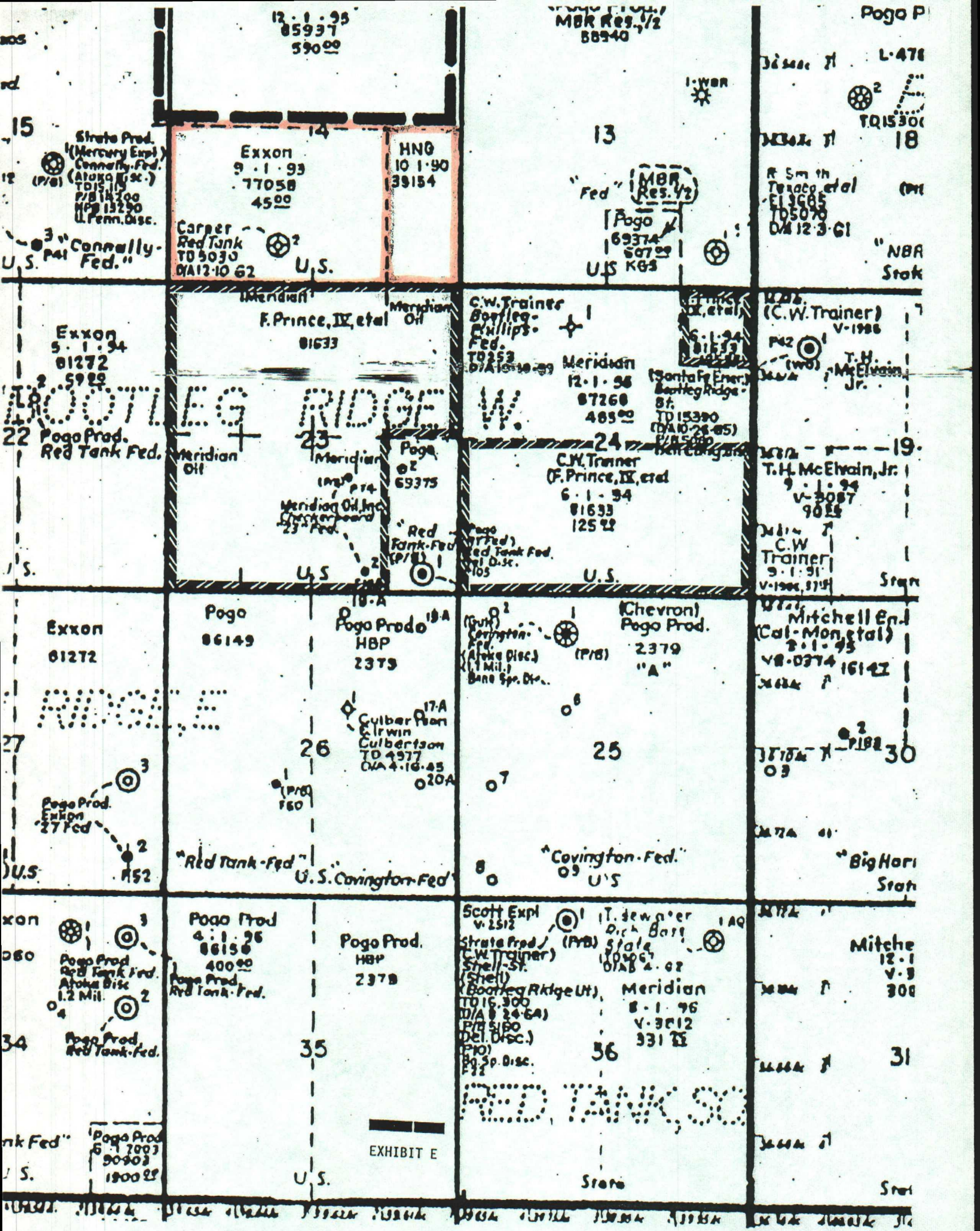


RED TANK FEDERAL LEASE
SEC. 14, T22S, R32E
LEA COUNTY, NEW MEXICO

MERIDIAN OIL INC.
REDCHECKER FEDERAL LEASE
LEASE NO: NM 94096
SEC. 14, T22S, R32E
LEA COUNTY, NEW MEXICO

LEASE DESCRIPTION: 80 ACRES IN LEASE
E/2 OF THE SE/4 OF SEC. 14





T 22 S

R 32 E

0 500 1000 2000
SCALE - FEET

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, NMPM, THE LINE IS ASSUMED TO BEAR N 0°01'00" W, 2641.32 FEET.

I HEREBY CERTIFY THAT THIS SURVEY WAS MADE UNDER MY SUPERVISION AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



Laughlin-Simmons of Texas

MIDLAND DISTRICT OFFICE
(915) 699-1238
In State TOLL FREE :
1-800-242-3028

P.O. BOX 1757
MIDLAND, TEXAS 79702



By: WILLIAM E. MAHNKE II, PLS #8466

REDCHECKER "14" FEDERAL No. 2
1650' FSL & 990' FEL
SEC. 14, T 22 S, R 32 E

LEGAL DESCRIPTION:

AN EASEMENT FOR A PROPOSED FLOWLINE LOCATED IN SECTION 14, TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM, 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 WOOD STAKE SET FOR STATION 0+00.00 OF THIS SURVEY, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 14 BEARS N 49°06'32" E, 1519.08 FEET;

THENCE S 0°05'44" E, 660.35 FEET TO A WOOD STAKE FOR SURVEY STATION 6+60.35;

THENCE S 83°24'49" W, 483.16 FEET TO A WOOD STAKE FOR SURVEY STATION 11+43.51;

THENCE S 83°59'51" W, AT 873.5 FEET CROSSING AN EXISTING POWER LINE FOR SURVEY STATION 20+17.0, A TOTAL DISTANCE OF 887.75 FEET TO A WOOD STAKE FOR SURVEY STATION 20+31.26;

THENCE S 83°52'58" W, AT 700.0 FEET CROSSING AN EXISTING POWER LINE FOR SURVEY STATION 27+31.3, AT 1033.8 FEET CROSSING AN EXISTING POWER LINE FOR SURVEY STATION 30+65.1, A TOTAL DISTANCE OF 1061.54 FEET TO A WOOD STAKE FOR SURVEY STATION 30+92.80;

THENCE S 4°02'01" E, AT 15.2 FEET CROSSING THE CENTER OF AN EXISTING ROAD FOR SURVEY STATION 31+08.0, AT 40.2 FEET CROSSING A LLANO, INC. PIPELINE FOR SURVEY STATION 31+33.0, A TOTAL DISTANCE OF 284.41 FEET TO A WOOD STAKE FOR SURVEY STATION 33+77.21;

THENCE S 86°05'27" E, 181.91 FEET TO A WOOD STAKE FOR POINT OF TERMINATION OF THE HEREIN DESCRIBED SURVEY CENTERLINE AT SURVEY STATION 35+59.12, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 14 BEARS S 58°58'02" E, 850.93 FEET;

SAID EASEMENT BEING 3559.12 FEET OR 215.70 RODS OR 0.67 MILES IN LENGTH, SUCH LENGTH BEING ALLOCATED BY FORTIES AS FOLLOWS:

NE/4 of SE/4	SECTION 14	-	20.01	RODS
SE/4 of SE/4	SECTION 14	-	30.37	RODS
SW/4 of SE/4	SECTION 14	-	80.39	RODS
SE/4 of SW/4	SECTION 14	-	84.93	RODS
TOTAL			-	215.70

MERIDIAN OIL INC.
REDCHECKER "14" FEDERAL No. 2

PROPOSED FLOWLINE EASEMENT
SECTION 14, T 22 S, R 32 E

LEA COUNTY, NEW MEXICO

date: OCTOBER 27, 1994 scale: 1"=1000'

THE STORAGE AND MEASURING FACILITY IS LOCATED IN THE SE/SW OF SEC. 14, T22S, R32E, LEA COUNTY, NEW MEXICO, FEDERAL LEASE NM 77058. 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:

ALL THE PRODUCTION INVOLVED WILL BE SEPARATELY MEASURED AT VARIOUS TIMES OF THE MONTH VIA A TEST VESSEL SITUATED BY THE COMMON STORAGE VESSEL TO BE INDIVIDUALLY TESTED. (WELL TESTS). THE GAS WILL BE METERED & SOLD AT ONE POINT

MERIDIAN IS 100% WORKING INTEREST OWNER FOR ALL THE LEASES TO BE INVOLVED IN THE COMMINGLING.

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.

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 IF APPLICABLE, 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: _____

APPLICATION FOR OFF-LEASE STORAGE, SURFACE COMMINGLING, AND MEASUREMENT APPROVAL FOR THE RED TANK FEDERAL LEASE (NM 77058) AND THE REDCHECKER FEDERAL LEASE (NM 94096) LOCATED IN SEC. 14, T22S, R32E, LEA COUNTY, NEW MEXICO. PRODUCTION IS FROM THE WEST RED TANK DELAWARE FIELD.

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

MERIDIAN OIL INC. IS REQUESTING APPROVAL FOR OFF-LEASE STORAGE, SURFACE COMMINGLING, AND MEASUREMENT APPROVAL FOR THE RED TANK FEDERAL LEASE (NM 77058) AND THE REDCHECKER FEDERAL LEASE (NM 94096) LOCATED IN SEC. 14, T22S, R32E, LEA COUNTY, NEW MEXICO. PRODUCTION IS FROM THE WEST RED TANK DELAWARE FIELD.

WELL NO:	SEC.	TWP	RNG	FORMATION	LEASE NO.	STATUS
Red Tank Federal # 1	14	22S	32E	Delaware	NM 77058	Prod.
Red Tank Federal # 2 SWD	14	22S	32E	Delaware	NM 77058	Disp.
Red Tank Federal # 3	14	22S	32E	Delaware	NM 77058	Prod.
Red Tank Federal # 4	14	22S	32E	Delaware	NM 77058	Prod.
Red Tank Federal # 5	14	22S	32E	Delaware	NM 77058	Prod.
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Redchecker '14' Federal # 1	14	22S	32E	Delaware	NM 94096	w/o completion
Redchecker '14' Federal # 2	14	22S	32E	Delaware	NM 94096	to be drilled

PRODUCTION FROM THE LEASES INVOLVED IS AS FOLLOWS:

LEASE NAME AND NO.	BOPD	GRAVITY	MCF/PD
Red Tank Federal (NM 77058)	350	43.0	426
Redchecker '14' Federal (NM 94096)**	400	42.0	350

** THIS PRODUCTION IS BASED ON RESERVOIR STUDIES FROM SURROUNDING WELLS.

THIS REQUEST IS FOR LEASE COMMINGLING DUE TO CONTINUED FUTURE DRILLING PLANS.

A MAP IS ENCLOSED SHOWING 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.