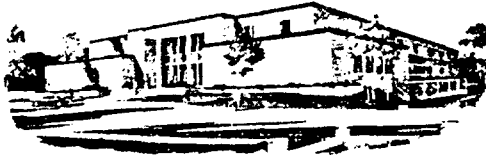


State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

March 23, 1989

Meridian Oil Inc.  
21 Desta Drive  
Midland, Texas 79705

ATTN: Marianne Martin

RE: Request for approval for Surface Commingle State Lease  
E-6947-9, Section 32, T-18-S, R-31-E, Eddy County, New  
Mexico.

Gentlemen:

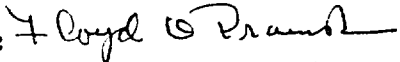
Reference is made to your application letters dated February 6, 1989, March 13, 1989 and March 20, 1989 in which you requested approval to commingle oil production from the Monterey State "A" well A-4 and the Monterey State "B" well B-1 located on State Lease E-6947-9, Section 32, T-18-S, R-31-E, Eddy County, New Mexico.

Approval is hereby granted to commingle the oil produced from the two wells described above.

Your filing fee in the amount of thirty dollars (\$30.00) was received. Please do not hesitate to contact us if we can be of any further help.

Very truly yours,

W.R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

enclosure

cc: OCD - Santa Fe, New Mexico ✓  
Oil and Gas Accounting Commission  
State Lease E-6947

# MERIDIAN OIL

March 20, 1989

Commissioner of Public Lands  
for the State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

RE: Request for Lease Commingling  
(Rule 307B)  
Southland Royalty Company  
(operated by Meridian Oil Inc.)  
Monterey State "A" & "B" Leases  
Shugart (Y.SR.Q.G.)  
Sec. 32, T-18-S, R-31-E  
Eddy County, New Mexico

Dear Ms. Howarth:

In regards our telephone conversation on March 20, 1989, I would like to request approval for Lease Commingling of our production from the Monterey State "A" well #4 and the Monterey State "B" well #1 located on lease #E6947-9.

Please review this information and if you should have any questions please contact me at (915)686-5657.

Sincerely,

*Marianne Martin*

Marianne Martin  
Operations Tech III

*March 23, 1989*  
*W. Q. Humphries*  
COMMISSIONER

March 13, 1989

Commissioner of Public Lands  
for the State of New Mexico  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

RE: Request for Lease Commingling  
(Rule 307B)  
Southland Royalty Company  
(operated by Meridian Oil Inc.)  
Monterey State "A" & "B" Leases  
Shugart (Y.SR.Q.G.)  
Sec. 32, T-18-S, R-31-E  
Eddy County, New Mexico

Gentleman:

In regards to your letter requesting more information for Lease Commingling on our Monterey State "A" & "B" leases, the following information is being submitted.

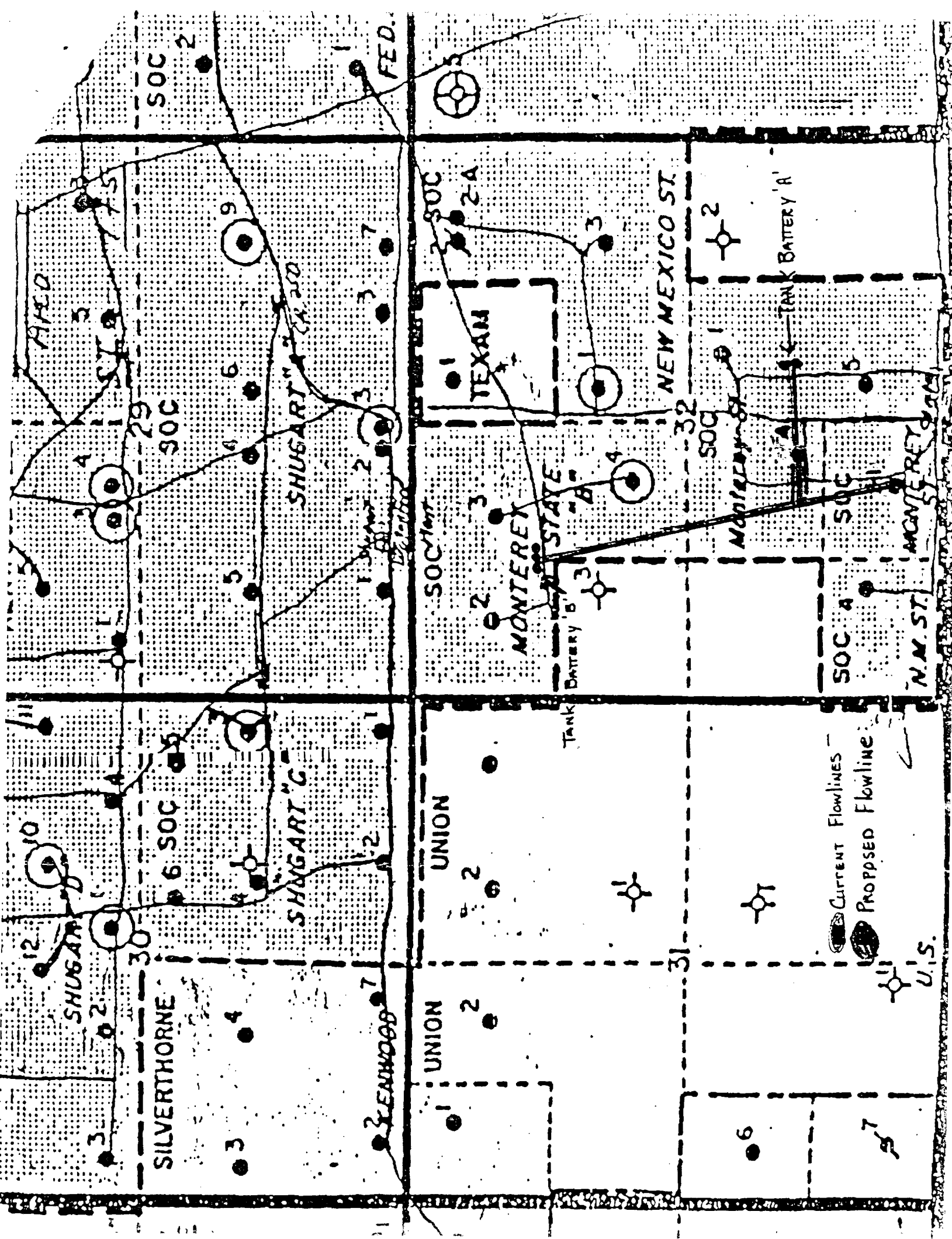
- B-9646 ← "A"*                      *"B" → E-6947*
- Monterey "A" & "B", State Land Office Lease Number is ~~B-9646~~ and is located in Eddy County, New Mexico, Sec. 32, T-18-S, R-31-E.
  - Both Monterey "A" & "B" leases are produced from the Shugart (Yates 7 Rivers Queen Grayburg).
  - The economic analysis of proposed operation showing profit or loss to the State of New Mexico is 31.5 oil gravity for each well.
  - There were no components which were specifically fabricated for this project.
  - The operating sequence will be to move the first flowline from its' present location (connecting Monterey "A" #4 to Lease "A" tank battery) to its' new location on the other side of the well so it may be connected to the second flowline running from Monterey "B" #1 to Lease "B" tank battery. After this procedure, production from the Monterey "A" #4 will flow down its' flowline, connect to the Lease "B" flowline and on to Lease "B" tank battery facility. A check valve will be used to accurately determine production from each well on a monthly basis.

Please review this information and if you should have any questions please contact me at (915)686-5657.

Sincerely,

*Marianne Martin*

Marianne Martin  
Operations Tech III



# MERIDIAN OIL

February 6, 1989

Commissioner of Public Lands  
for the State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Attention: Pete Martinez

RE: Request for Lease Commingling  
(Rule 307B)  
Southland Royalty Company  
(operated by Meridian Oil Inc.)  
Monterey State "A" & "B" Leases  
Shugart (Y.SP.Q.G.)  
Sec. 32, T-18-S, R-31-E  
Eddy County, N.M.

Dear Mr. Martinez,

Southland Royalty Company has respectfully requested the Secretary-Director of the New Mexico Oil Conservation Division to approve Lease Commingling for the above captioned leases. Southland Royalty Company has 100% interest in both Monterey State Lease "A" & "B" and request approval to commingle production from Monterey State "A" #4, which is now going to tank battery on Lease "A", with production in tank battery on Lease "B". This well is presently producing 2 barrels of oil a day; therefore, the company does not feel the purchase of a new storage tank would be justified.

I have attached two schematic diagrams of the commingling facility. The first shows the proposed commingling facilities including tanks, valves, treaters, etc. and the other shows the commingling leases. We plan to move the flowline which presently connects Monterey State "A" #4 to Lease "A" tank battery and tee it into the flowline which presently connects Monterey State "B" #1 to Lease "B" tank battery. A port-a-check valve will be used to accurately determine production from each well on a monthly basis. Also, attached is a plat showing the horizontal extent of each of the subject leases and a money order made out to the Commissioner of State Land for the application fee in the amount of \$30.00.

Southland Royalty Company is the purchaser of production for these leases and has no objections to the commingling of them. For more information regarding this request, please call me at 915/686-5657.

Yours very truly,

Marianne Martin

Marianne Martin  
Operations Tech III

cc: NMOCD  
Santa Fe, N.M.

## Attachments

Menclian Oil Inc., 21 Dosta Ave., Midland, Texas 79705, Telephone 915-686-5600

...the ... ..

R-  
NE

SILVERTHORNE

SHUGART

SHUGART "C"

SOC

UNION

UNION

SOC

MONTEREX

TANK BATTERY 'B'

STATE

TEXAN

SOC

2A

SHUGART "A"

SOC

ST

SOC

2

FEL

NEW MEXICO ST

TANK BATTERY 'A'

Current Flowlines  
Proposed Flowline

SOC A

SOC

N.M. ST

MONTEREX

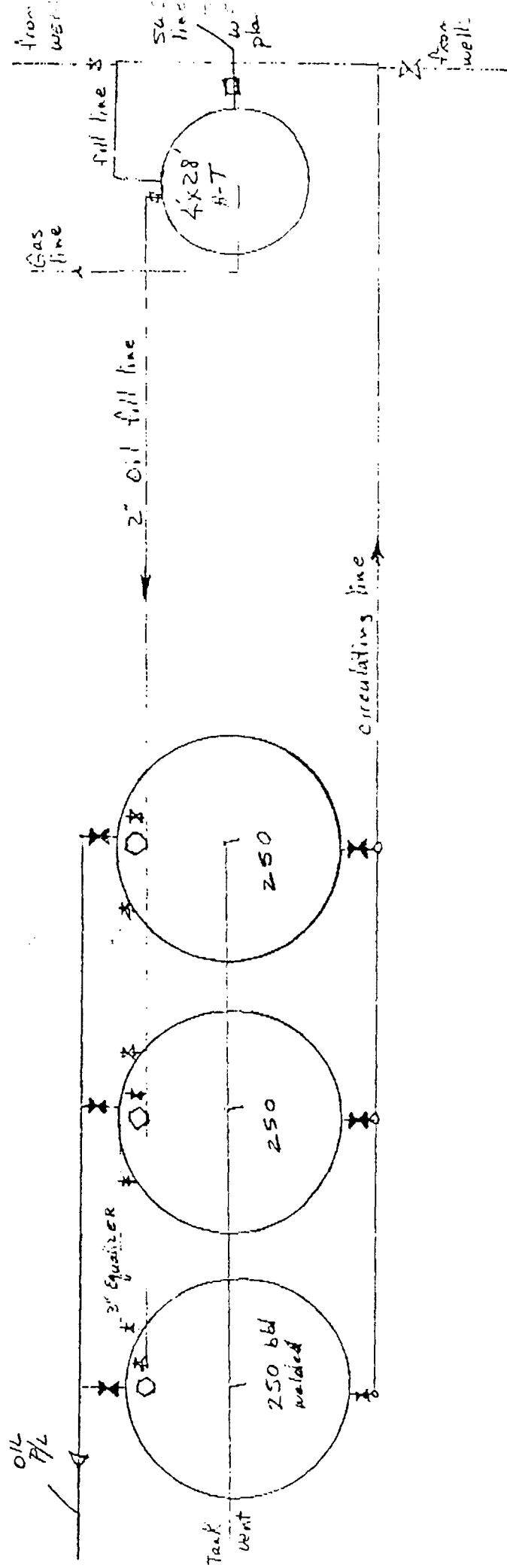
STATE

TEXAN

SOC

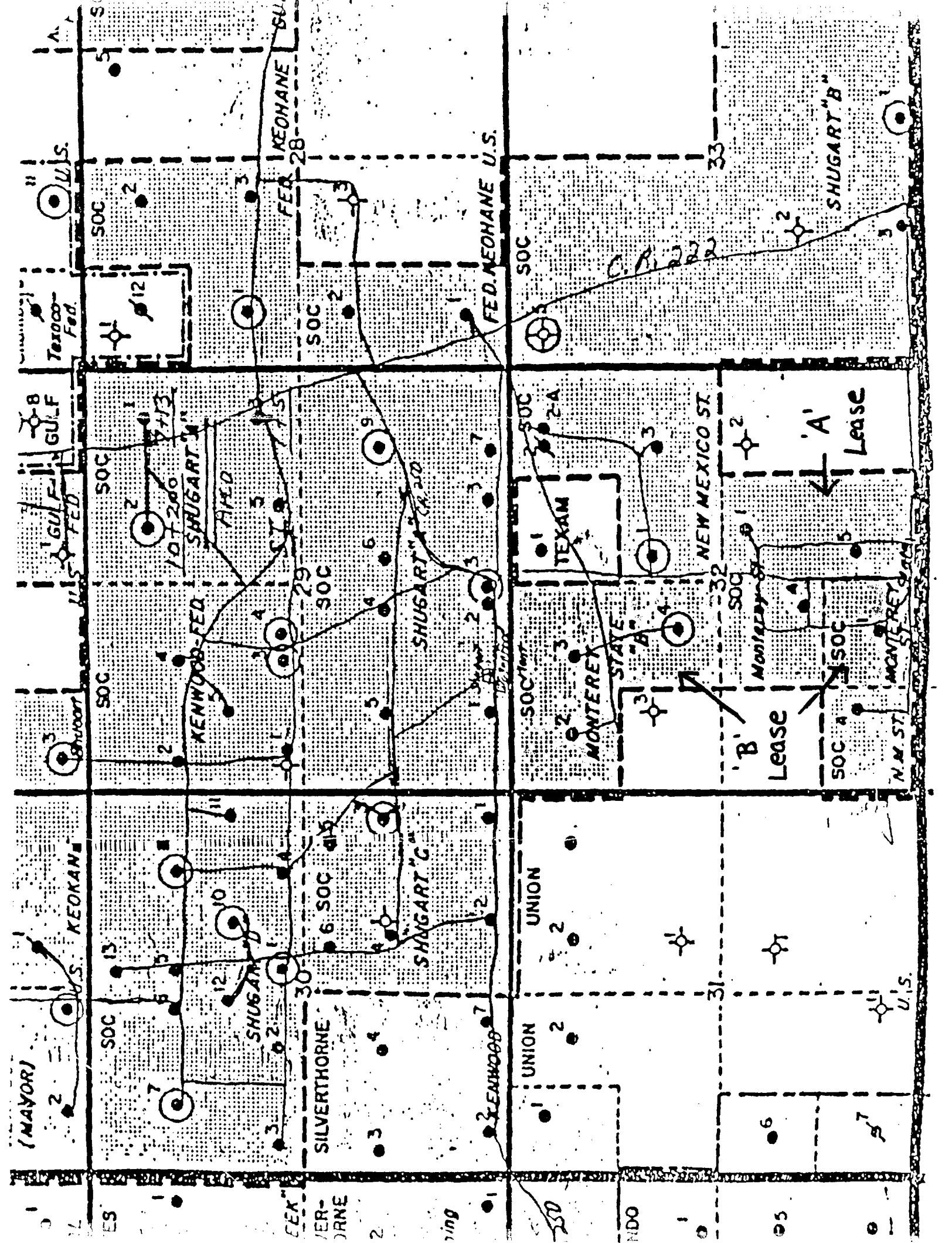
2A

FEL



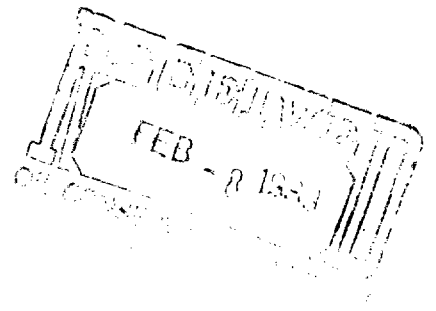
MONTERREY B ETTY





# MERIDIAN OIL

February 6, 1989



New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: David Catanach

RE: Request for Lease Commingling  
(Rule 307B)  
Southland Royalty Company  
(operated by Meridian Oil Inc.)  
Monterey State "A" & "B" Leases  
Shugart (Y.SR.Q.G.)  
Sec. 32, T-18-S, R-31-E  
Eddy County, N.M.

Dear Mr. Catanach:

In regards to your letter dated January 19, 1989, requesting more information in order for our application for surface commingling on the above captioned leases to proceed I have enclosed the additional items.

Please find a plat showing the horizontal extent of each of the subject leases and a schematic diagram of the proposed commingling facilities including tanks, valves, treaters, etc.

Meridian Oil Inc. which operates Southland Royalty Company is the purchaser of production for these wells and has no objection to the commingling.

If you have any questions, please contact me at (915)686-5657.

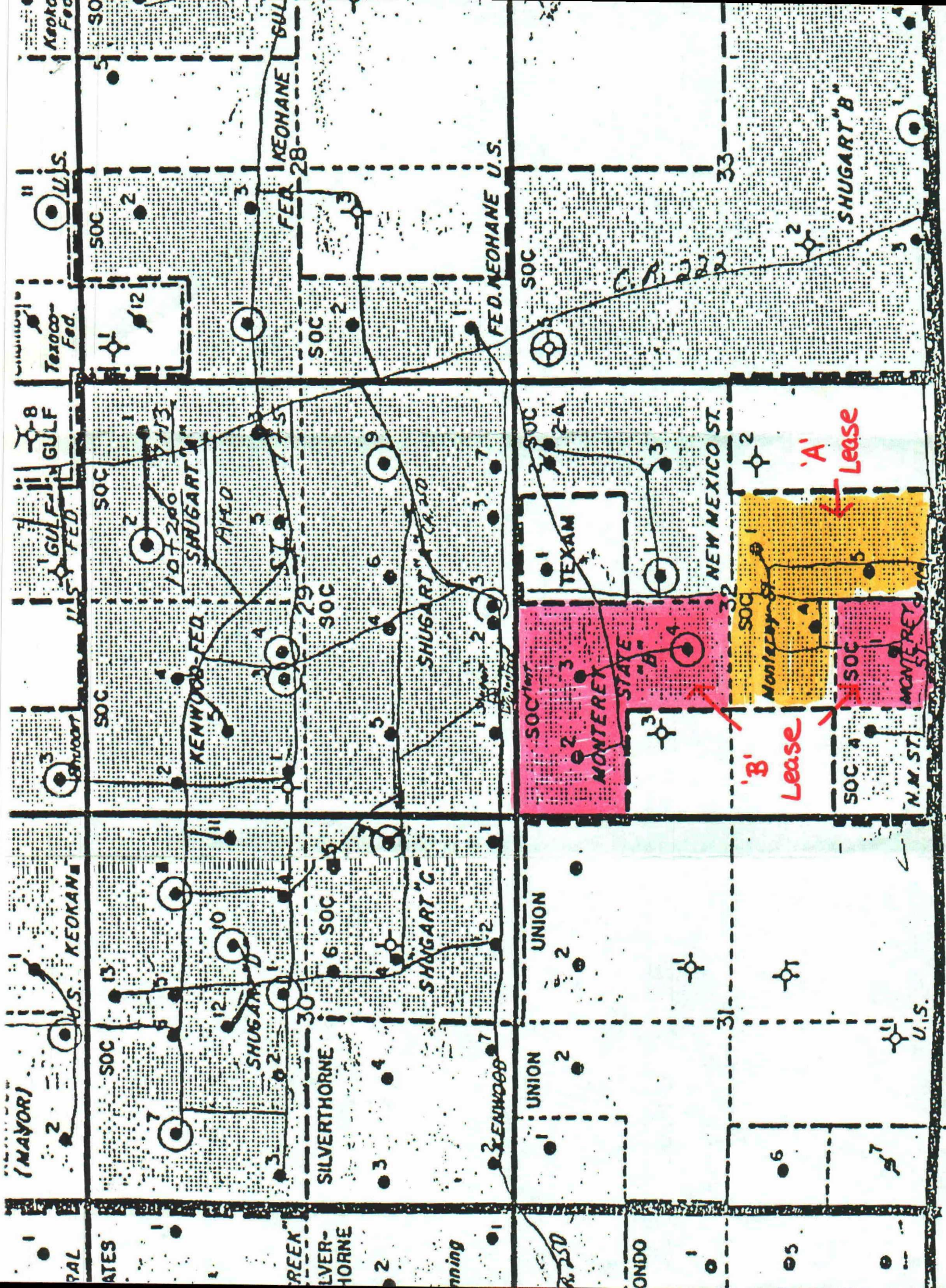
Yours very truly,

*Marianne Martin*

Marianne Martin  
Operations Tech III

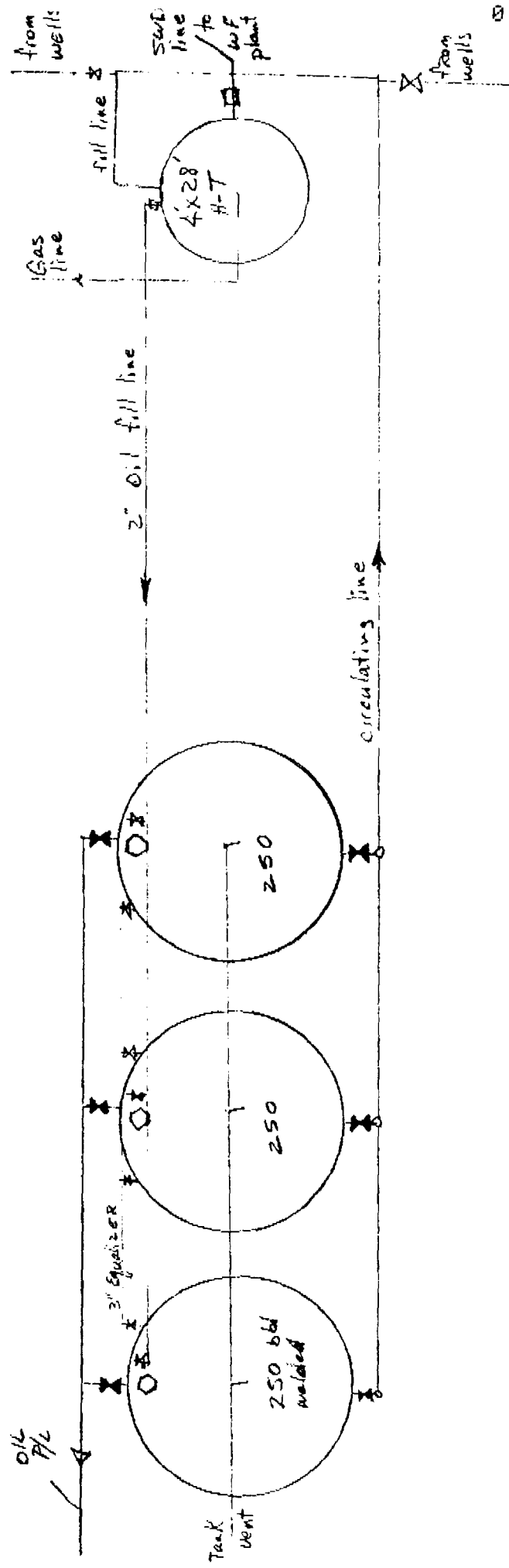
Attachments







N

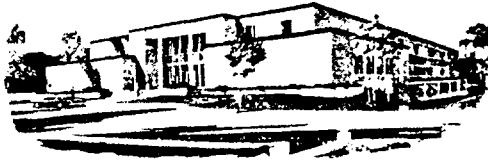


MONTERREY B Btty

# State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER



## Commissioner of Public Lands

February 6, 1989

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

Meridian Oil Inc.  
21 Desta Drive  
Midland, Texas 79705

ATTN: Marianne Martin

Gentlemen:

We received your letter, dated February 6, 1989, in which you requested approval for Lease Commingling on your Monterey "A" and "B" leases. Because we have not received all of the information required under State Land Office Rule 1.055, we must reserve approval at this time. For your information, we have enclosed a copy of Rule 1.055 and have marked the information which you omitted. As soon as this information is received, we can begin processing your application.

If you have any further questions, please contact Susan Howarth at (505) 827-5749.

Very truly yours,

WILLIAM R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

encl

cc: OCD - Santa Fe, New Mexico