WE CONSERVE IN DIVISION PLC

## MERIDIAN OIL

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**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.

Marin L. Perz

Burray OF THE INTERIOR OCT 2 7 1993  BURRAU OF LAND MANAGEMENT  SUNDRY NOTICES AND REPORTS ON WELL PROD. SERY.  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  SUBMIT IN TRIPLICATE  2. Name of Operator  SUJMAN BOTTLE TRIPLICATE  3. If Unit or CA, Agreement Designation  FEDERAL "MA" BATTERY  SUPMIT IN TRIPLICATE  4. Well Name and No.  FEDERAL "MA" BATTERY  SUPMIT AND TEMPORALY  SUPMIT IN TRIPLICATE  5. Well Name and No.  FEDERAL "MA" BATTERY  SUPMIT AND TEMPORALY  SUPMIT IN TRIPLICATE  6. If Indian, Allossee or Tribe Name  The Well Indian Allossee of Tribe Name  FEDERAL "MA" BATTERY  SUPMIT AND TRIPLICATE  1. If Unit or CA, Agreement Designation  SUBMIT IN TRIPLICATE  7. If Unit or CA, Agreement Designation  In Well Name and No.  FEDERAL "MA" BATTERY  S. AFI Well No.  10. Fledd and Food, or Explorationy Area  LEA COUNTY,  NEW MEXICO  11. Country or Purish, State  LEA COUNTY,  NEW MEXICO  12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TO SUBMISSION  TYPE OF SUBMI	the second second		
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2. Name of Operation's SOUTHLAND ROYALTY COMPANY  3. Address and Telephone No. P.C. BOX 51810 Midland, TX 79710  3. Address and Telephone No. P.C. BOX 51810 Midland, TX 79710  3. Exercise of Will (Footer, Sec. T. R., M., or Survey Description)  3. I. NE/4 SE/4, SEC. 21, T18S, R33E  1. Country of Purish, State LEA COUNTY, NEW MEXICO  12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF SUBMISSION  TYPE OF ACTION    Notice of factor   Recompletion   Recompl			8 Well Name and No.
SOUTHLAND ROVALTY COMPANY  P. C. BOX 51810 Midland, TX 79710  10. Field and Pool, or Exploratory Area  11. County or Purish, State LEA COUNTY, NE/4 SE/4, SEC. 21, T18S, R33E  11. County or Purish, State LEA COUNTY, NE/4 SE/4, SEC. 21, T18S, R33E  12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION  TYPE OF ACTION  13. Notice of Intent 14. Subsequent Report 15. Describe Proposed or Completed Operations (Clearly state all pertitions details, and give periment date, shelding estimated date of starting any proposed work, if well is directionally drills give subsurface locations and measured and true vertical depths for all markers and sones pertitions to Surface Comminscling AUTHORITY TO AAACHON TOR SURFACE COMMINSLING, MEASUREMENT APPROVAL AND OFF-LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE SOUTH CORBIN BONE SPRING, SOUTH CORBIN WOLEFOAMP AND WEST CORBIN DELAWARE POOLS  THE LEASE NUMBERS ON OUR FEDERAL "MA" LEASE ON THE PREVIOUSLY APPROVED SURFACE COMMINISLING AUTHORITY TO AATCH THE MMS PRODUCTION REPORTS.  DEPLICATION FOR SURFACE COMMINGLING, MEASUREMENT APPROVAL AND OFF-LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE SOUTH CORBIN BONE SPRING, SOUTH CORBIN WOLEFOAMP AND WEST CORBIN DELAWARE POOLS  REPORT OF THE CORBIN SURFACE COMMINGLING, MEASUREMENT APPROVAL AND OFF-LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE SOUTH CORBIN BONE SPRING, SOUTH CORBIN WOLEFOAMP AND WEST CORBIN DELAWARE POOLS  REPORT OF THE SOUTH CORBIN BONE SPRING, SOUTH CORBIN WOLEFOAMP AND WEST CORBIN DELAWARE POOLS  SEE ATTACHED FORMAT  14. I bereby certify that the foregoing is true and correct  Signod Marker August Canada Trite  Patroloum Engines:  Date 10/22/93  Trite  Patroloum Engines:  Date 10/22/93  Trite  Patroloum Engines:  Date 10/22/93  Trite  Patroloum Engines:			<del></del>
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TYPE OF SUBMISSION  TYPE OF ACTION    Notice of Intent   Abandonment   Recompletion   New Construction   New			NEW MEXICO
Notice of Intent	12. CHECK APPROPRIATE BOX(	s) TO INDICATE NATURE OF NOTICE, REP	ORT, OR OTHER DATA
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Subsequent Report	Notice of Intent	Abandonment	Change of Plans
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Altering Casing Other AMEND SURFACE locations and measured and true vertical depths for all markers and zones pertinent dates, including estimated date of starting any proposed work. If well is directionally drille give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*  AS PER TELEPHONE CONVERSATION REQUEST FROM ANDREA MASSENGALE OF YC-UR BLM—HOBBS OFFICE, THIS IS TO AMEND THE LEASE NUMBERS ON OUR FEDERAL "MA" LEASE ON THE PREVIOUSLY APPROVED SURFACE COMMINGLING AUTHORITY TO MATCH THE MMS PRODUCTION REPORTS.  APPLICATION FOR SURFACE COMMINGLING, MEASUREMENT APPROVAL AND OFF-LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE SOUTH CORBIN BONE SPRING, SOUTH CORBIN WOLFCAMP AND WEST CORBIN DELAWARE POOLS FROM THE FEDERAL "MA" COM. LEASE (NM—0997), FEDERAL "MA" LEASE (LC—064944) AND THE AZTEC "22" FEDERAL LEASE (NM—0997)  SEE ATTACHED FORMAT  14. I hereby certify that the foregoing is true and correct Signed Maria L. PEREZ Title PRODUCTION ASST. Date 9–28–93  Title Patroloum Engineer: Date 10 / 22 / 93  Approved by Adams Title Patroloum Engineer: Date 10 / 22 / 93	Subsequent Report		<u></u>
COMMINGLING PERMIT  Commission of Recombines as Worth and State of Commission and Markets and State of Commission of Commission Recombines as Recombines Recombined Recombines Recombines Recombined Recombines Recombined Recombines Recombined Recombines Recombined Recombines Recombines Recombined Recombined Recombines Recombined Recombines Recombined Recombines Recombined Recombines Recombined Recombines Recombined Recombined Recombined Recombines Recombined Recombined Recombined Recombines Recombined Recombined Recombined Recombined Recombined Recombines Recombined R	Final Abandonment Notice	Altering Casing	
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 drille give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*  AS PER TELEPHONE CONVERSATION REQUEST FROM ANDREA MASSENGALE OF YCUR BLM—HOBBS OFFICE, THIS IS TO AMEND THE LEASE NUMBERS ON OUR FEDERAL "MA" LEASE ON THE PREVIOUSLY APPROVED SURFACE COMMINGLING AUTHORITY TO MATCH THE MMS PRODUCTION REPORTS.  APPLICATION FOR SURFACE COMMINGLING, MEASUREMENT APPROVAL AND OFF-LEASE STORAGE OF HYDROCARBON PRODUCTION FROM THE SOUTH CORBIN BONE SPRING, SOUTH CORBIN WOLFCAMP AND WEST CORBIN DELAWARE POOLS FROM THE FEDERAL "MA" COM. LEASE (NM—0997), FEDERAL "MA" LEASE (LC—064944) AND THE AZTEC "22" FEDERAL LEASE (NM—0997)  SEE ATTACHED FORMAT  14. I hereby certify that the foregoing is true and correct Signed Maria L. Perez Title PRODUCTION ASST.  Date 9-28-93  Title Production Englisher: Date 10/22/93  Title Patroloum Englisher:		· · · · · · · · · · · · · · · · · · ·	
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14. I hereby certify that the foregoing is true and correct  Signed Maria L. Pinz MARIA L. PEREZ Title PRODUCTION ASST.  (This space for Federal or State Office use)  Approved by Adam Salam Title Patroloum Engineer Date 10/22/93	THE LEASE NUMBERS ON OUR FEDERAL "N MATCH THE MMS PRODUCTION REPORTS. APPLICATION FOR SURFACE COMMINGLING, PRODUCTION FROM THE SOUTH CORBIN BOI	MA" LEASE ON THE PREVIOUSLY APPROVED SURI MEASUREMENT APPROVAL AND OFF-LEASE ST NE SPRING, SOUTH CORBIN WOLFCAMP AND WES	ORAGE OF HYDROCARBON ST CORBIN DELAWARE POOLS
Signed Maria L. Pinz MARIA L. PEREZ Title PRODUCTION ASST.  Onto 9-28-93  (This space for Federal or State Office use)  Approved by Adam Se Canada Title Patroloum Engineer:  Date 10/22/93	SEE ATTACHED FORMAT		
Approved by Adam Sa Canal Title Petroloum Engineer Date 10/22/93	Signed Maria L. Pers MARIA L. PI	EREZ Title PRODUCTION ASST.	Date 9-28-93
	Approved by Adam Sa Cam	4 Title Petroloum Engineer	Date 10/22/93

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 NO.	LOC.	SEC.	TWP.	RNG.	<b>FORMATION</b>
2	I	21	18S	33E	BONE SPRING
FEDERAL "MA" LEASE (LC-064944)					
WELL NO.	LOC.	SEC.	TWP.	RNG.	<b>FORMATION</b>
4	В	21	18S	33E	WOLFCAMP
6	${f B}$	21	18S	33E	DELAWARE
7	A	21	18S	33E	DELAWARE
8	H	21	18S	33E	WOLFCAMP
AZTEC "22" FEDERAL LEASE (NM-0997)					
<u>WELL</u>				_	
<u>NO.</u>	LOC.	SEC.	TWP.	RNG.	<u>FORMATION</u>
3	D	22	18S	33E	DELAWARE

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

WELL NAME AND NO.	<b>BOPD</b>	OIL GRAVITY	<b>MCFPD</b>
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.

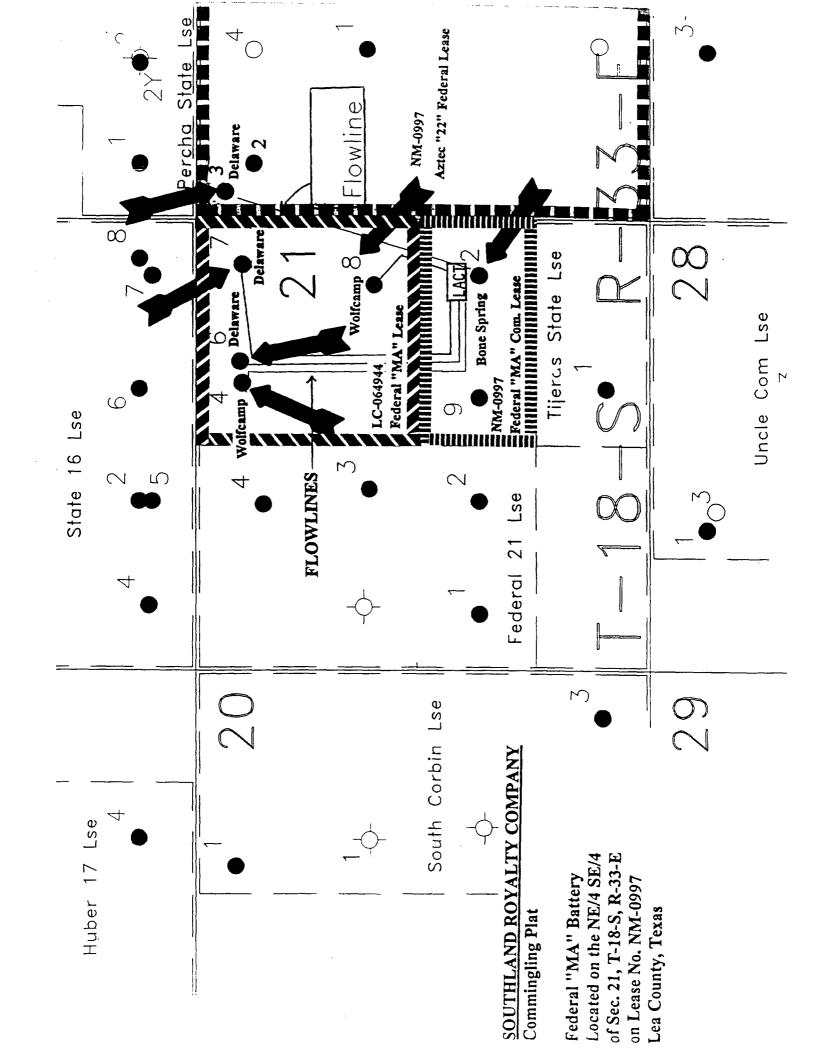
THE PROPOSED COMMINGLING OF PRODUCTION IS IN THE INTEREST OF CONSERVATION AND WILL NOT RESULT IN REDUCED ROYALTY OR IMPROPER MEASUREMENT OF PRODUCTION.

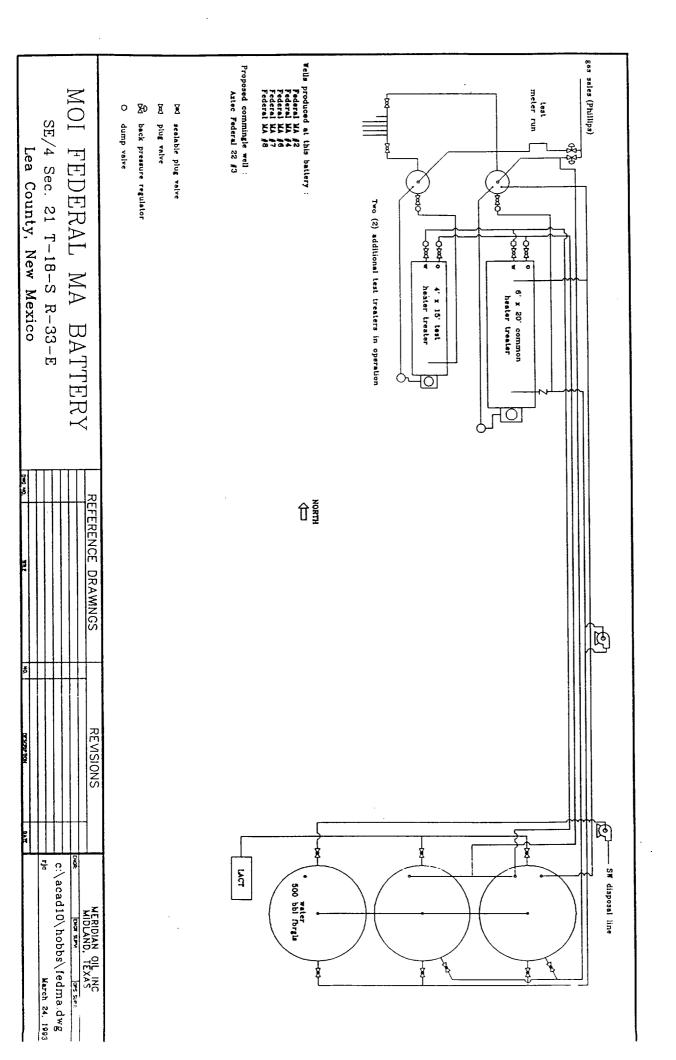
THE PROPOSED COMMINGLING IS NECESSARY FOR CONTINUED OPERATION OF THE ABOVE REFERENCED FEDERAL LEASES.

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







NM-0997

# United States Department of the Interior



#### BUREAU OF LAND MANAGEMENT

Carlsbad Resource Area Headquarters P.O. Box 1778

Carlsbad, New Mexico 88221-1778

3162 (067)

13 20 **1993** 

PROD.SERV.

AUG 1 7 1993

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

RE: NM-0997

Aztec "22" Federal Well No. NW\(\frac{1}{2}\)NW\(\frac{1}{2}\), 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:

Well No.	Location	Formation
2	NE 2 SE 2	South Corbin Bone Spring
4	nwinei	South Corbin Wolfcamp
6	NW INE I	West Corbin Delaware
7	NE INE I	West Corbin Delaware
8	SE 1 NE 1	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 NE1SE1, 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,

Richard L. Manus Area Manager