



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

COMMINGLING ORDER PC-746

Southland Royalty Company
P.O. Box 4289
Farmington, NM 87499-4289

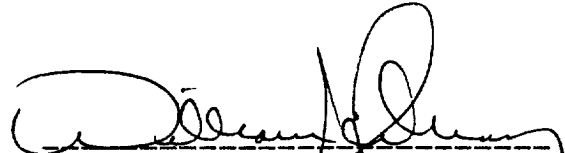
Attention: R. F. Headrick

LEASE NAME: Grenier "A" Federal Lease
DESCRIPTION: Well No. 3, N/2 Section 34, T-30 North, R-10 West,
NMPM, San Juan County, New Mexico

The above-named company is hereby authorized to commingle Basin Dakota and Blanco Mesaverde liquids Pool production in a common tank battery and to determine the production from each pool by well tests. (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.)

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 19th day of May, 1988.


WILLIAM J. LEMAY,
Division Director

RECEIVED
MAY 31 1988
OIL CON. DIV.
DIST. 3

MERIDIAN OIL

April 21, 1988

Mr. Frank Chavez
State of New Mexico
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Dear Mr. Chavez:

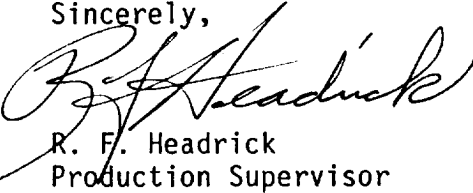
I am requesting that the following well be approved for surface commingling of liquids. Both formations will be tanked in one tank on location. The interest is the same in both formations. This well is a Southland Royalty well.

Below are the explanations to justify the need for surface commingling of liquids produced from this well.

Grenier A #3 (Basin Dakota-Blanco Mesaverde) (G) Section 34, T30N, R10W

Grenier A #3 (Dakota) produced 357 days in 1987 and averaged 67 MCF/day. Grenier A #3 (Mesaverde) produced 294 days in 1987 and averaged 11 MCF/day. Total oil production for both zones for the year of 1987 was 5 bbls. Our records already have this split out as 99% Dakota oil and 01% Mesaverde oil from previous tests. (Reference PC Order #N/A) As you can see from the 1987 production records it would not be cost effective to produce condensate into two separate tanks.

Sincerely,


R. F. Headrick
Production Supervisor

RFH/ldk
008

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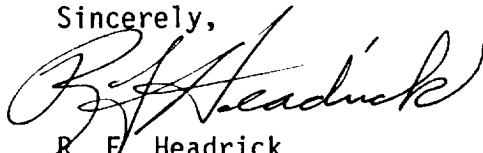
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OIL CON. DIV.
DIST. 3

Below are the explanations to justify the need for surface commingling of liquids produced from this well.

Grenier A #3 (Basin Dakota-Blanco Mesaverde) (G) Section 34, T30N, R10W

Grenier A #3 (Dakota) produced 357 days in 1987 and averaged 67 MCF/day. Grenier A #3 (Mesaverde) produced 294 days in 1987 and averaged 11 MCF/day. Total oil production for both zones for the year of 1987 was 5 bbls. Our records already have this split out as 99% Dakota oil and 01% Mesaverde oil from previous tests. (Reference PC Order #N/A) As you can see from the 1987 production records it would not be cost effective to produce condensate into two separate tanks.

Sincerely,



R. F. Headrick
Production Supervisor

RFH/ldk
008

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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OPERATOR	
PERMITS OFFICE	

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-104
Revised 10-01-78
Format 06-01-83
Page 1

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator
Southland Royalty Company

Address
PO Box 4289, Farmington, NM 87499

Reason(s) for filing (Check proper box)

<input type="checkbox"/> New Well	Change in Transporter of:	
<input type="checkbox"/> Recompletion	<input type="checkbox"/> Oil	<input checked="" type="checkbox"/> Dry Gas
<input type="checkbox"/> Change in Ownership	<input type="checkbox"/> Casinghead Gas	<input type="checkbox"/> Condensate

Other (Please explain)

If change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Grenier A	Well No. 3	Pool Name, including Formation Basin Dakota	Kind of Lease State, Federal or Fee	SF 077282	Lease No.
Location G 1510 North 1620 East	Unit Letter 34	Feet From The 30N	Line and 10W	Feet From The San Juan	County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS


Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/> Meridian Oil Inc.	Address (Give address to which approved copy of this form is to be sent) PO Box 4289, Farmington, NM 87499				
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> Santerra Gas Gathering Co.	Address (Give address to which approved copy of this form is to be sent) P. O. Box 1899, Bloomfield, NM 87413				
If well produces oil or liquids, give location of tanks.	Unit G	Sec. 34	Twp. 30N	Range 10W	Is gas actually connected? when

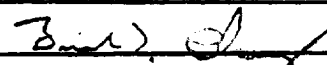
If this production is commingled with that from any other lease or pool, give commingling order number:

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.


Drilling Clerk
May 15, 1987
(Date)

OIL CONSERVATION DIVISION
JUN 22 1987
APPROVED _____
BY 
TITLE SUPERVISION DISTRICT # 3

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiple completed wells.