

# 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:

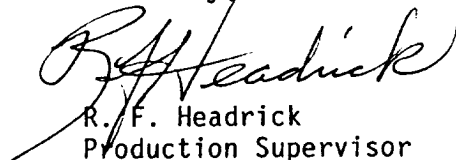
I am requesting that the following well be approved for surface commingle of liquids. Both formations will be tanked in one tank on location. The interest is the same in both formations. This well is a Southland Royalty well.

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

East #5 (Basin Dakota-Blanco Mesaverde) (N) Section 24, T31N, R12W

East #5 (Dakota) produced 351 days in 1987 and averaged 92 MCF/day. East #5 (Mesaverde) produced 361 days in 1987 and averaged 86 MCF/day. Total oil production for both zones for the year of 1987 was 560 bbls. Our records already have this split out as 40% Dakota oil and 60% Mesaverde oil from previous tests. (Reference PC Order #687 dated 1/25/85) 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  
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APR 22 1988  
OIL CON. DIV.  
DIST. 3

