



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 19, 1989

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

Meridian Oil Inc.
21 Desta Drive
Midland, Texas 79705

Attention: Marianne Martin

Dear Ms. Martin:

In regards to the application for surface commingling on the Monterey State "A" and "B" Leases filed on January 9, 1989, please be advised that more information is necessary in order to process the application. Please submit the following information:

1. A plat showing the horizontal extent of each of the subject leases.
2. A schematic diagram of the proposed commingling facilities including tanks, valves, treaters, etc.
3. Proof that the purchaser was notified of the proposed commingling (copy of letter or certified receipt).

In addition, since the subject leases are state owned, the proposed commingling must also be approved by the Commissioner of Public Lands for the State of New Mexico. For information regarding their filing requirements, I suggest you contact Mr. Pete Martinez at (505) 827-5744.

If you have any questions, please contact me at (505) 827-5800.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Catanach".
David Catanach

MERIDIAN OIL

January 9, 1989

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

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.

Gentlemen:

Southland Royalty Company respectfully requests 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 a schematic diagram of the commingling facility. 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.

Southland Royalty Company has respectfully requested waivers of objection from the purchaser(Texas New Mexico Pipeline Co.) by certified mail.

For information regarding this request, please call me at 915/686-5657.

Yours very truly,

Marianne Martin

Marianne Martin
Operations Tech III

cc: NMOCD
Artesia, N.M.

Attachments



