

MERIDIAN OIL

April 8, 1988

Mr. Frank Chavez
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. These wells are Southland Royalty wells.

Below are the explanations to justify the need for surface commingle of liquids produced from these wells.

Thompson #5 (Basin Dakota-Blanco Mesa Verde) ("A" 33-31-12)

Thompson #5, Dakota, produced 356 days in 1987 and averaged 15 MCF/day.
Thompson #5, Mesa Verde, produced 360 days in 1987 and averaged 37 MCF/day.
Total oil production for both zones for the year of 1987 was 28 bbls.
Our records already have this brokeout as 32% Dakota oil and 68% Mesa Verde oil from previous test.

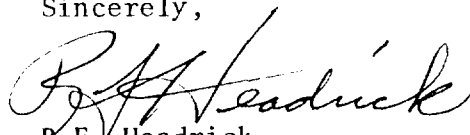
Thompson #7 (Basin Dakota-Blanco Mesa Verde) ("M" 34-31-12)

Thompson #7, Dakota, produced 350 days in 1987 and averaged 42 MCF/day.
Thompson #7, Mesa Verde, produced 361 days in 1987 and averaged 59 MCF/day.
Total oil production for both zones for the year of 1987 was 225 bbls.
Our records already have this brokeout as 30% Dakota oil and 70% Mesa Verde oil from previous test.

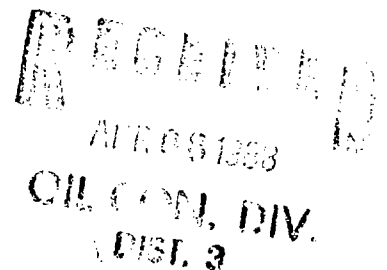
As you can see from the 1987 production records it would not be cost effective to tank condensate in two separate tanks.

If further explanation is needed, please call.

Sincerely,


R.F. Headrick
Production Supervisor

RFH:as



MERIDIAN OIL

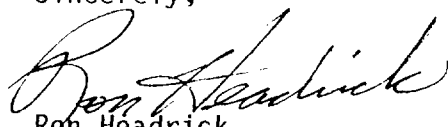
April 8, 1988

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

Dear Mr. Chavez,

In reference to the Southland Royalty Company wells, the Thompson #5 and the Thompson #7, there are no other interest owners involved in these wells. If you have any other questions, please call me at 505-326-9817. Thank you.

Sincerely,



Ron Headrick
Production Foreman

RH/1k

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7034
MERIDIAN OIL

RECEIVED
MAY 31 1988
OIL & GAS DIVISION

May 27, 1988

**State of New Mexico
Oil & Gas Division
P. O. Box 2088
Santa Fe, New Mexico 87501**

Attention: Mr. David Catanach

Dear Mr. Catanach:

In reference to our telephone conversation on May 19, 1988, we are providing the information you requested for the Southland Royalty wells. We hope you find this information satisfactory. If you have any questions, please give me a call at 505-326-9817.

Sincerely,

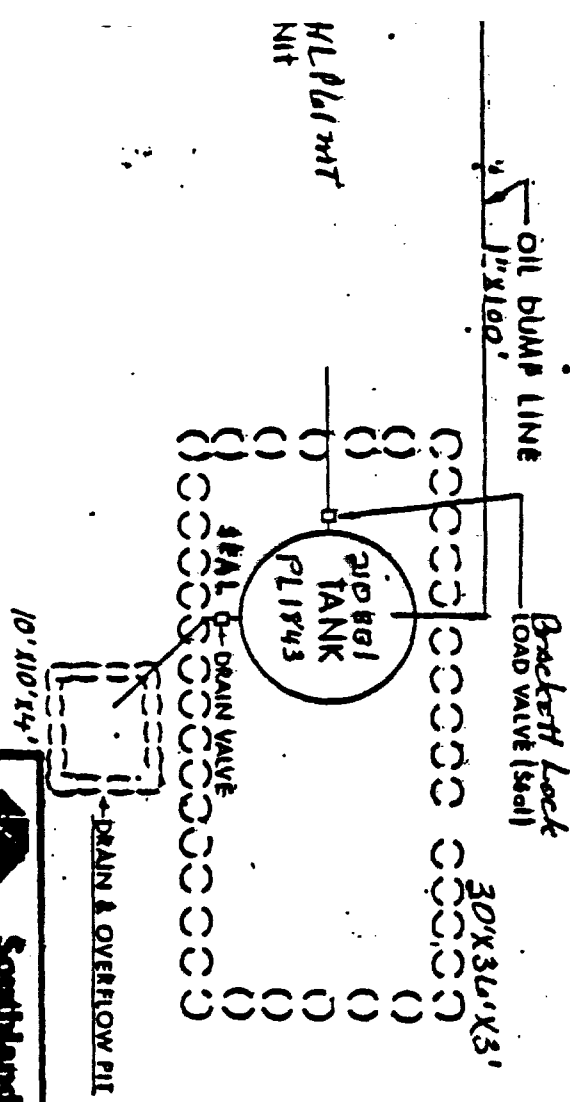
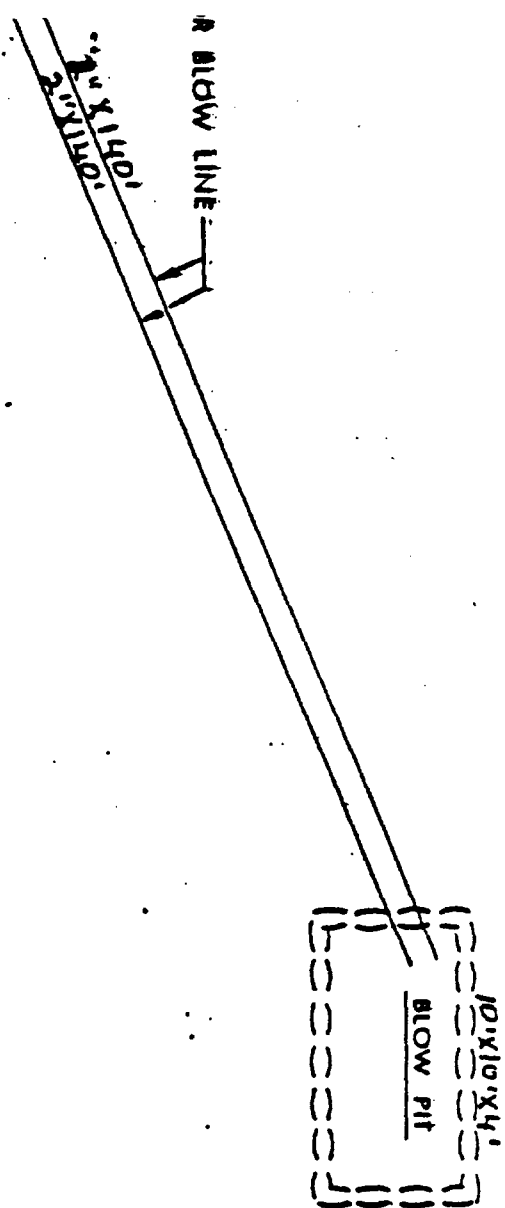
Ron Headrick by RK

**Ron Headrick
Production Foreman**


RH/1k

Enclosure

| | <u>Gravity</u> |
|--------------------|----------------|
| Decker #2 | 57.4 |
| Decker #4 | 59.4 |
| East #5 | 62.9 |
| East #10 | 55.0 |
| Grenier A #3 | 61.3 |
| Hare #14 | 56.9 |
| Hare #16 | 56.7 |
| Hare #18 | 58.4 |
| Hedges #2 | 61.0 |
| Hubbard #2 | 56.1 |
| Hubbard #4 | 60.2 |
| Jicarilla 101 #7 | 64.0 |
| McClanahan #18 | 49.0 |
| Moore #1 | 57.8 |
| Nye #3A | 57.1 |
| Oliver #1 | 59.4 |
| Patterson A Com #1 | 58.5 |
| Reid #20 | 52.8 |
| Richardson #5 | 58.1 |
| Richardson #6 | 54.7 |
| Thompson #5 | 53.5 |
| Thompson #7 | 55.3 |



McLanahan # 18
 A Sec 13 T28N R10W T7M1M
 990N - 790E
 San Juan Co. N.M.
 82-079634

| | |
|---|---|
|  <p>Southland Royalty Company FARMINGTON DISTRICT <small>MEMPHIS, TENN. 38103</small></p> | <p>SITE SECURITY DIAGRAM</p> |
| | <p>SAN JUAN BASIN NEW MEXICO</p> |

No. 1
 C. PARSONS
 NOV. 1982