

MERIDIAN OIL

25 JUN 9 44

May 25, 1990

Mr. David Catanach  
Oil Conservation Division  
P.O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: Southland Royalty Company  
West Corbin Federal #13  
Sec. 18, T18S, R33E  
Lea County  
NM-93

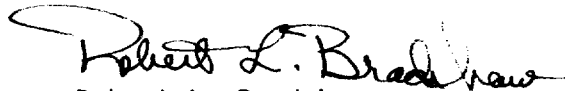
Dear Mr. Catanach:

*Spring* The referenced well produces about 103 bopd from the West Corbin (*Base* ~~San Andres~~). We propose to surface commingle this production with the South Corbin (Wolfcamp) production at the West Corbin Federal #1 Battery. As demonstrated on the attached chart, this will result in an increase in value of \$0.0078/bbl/day. By commingling at the existing battery, we will also eliminate the expense for constructing and operating a new tank battery.

By copy of this letter, I am requesting the Bureau of Land Management personnel in Carlsbad, N.M., to agree to this request after they review this.

If any further information is needed, please contact me at (915) 686-5678.

Sincerely,

  
Robert L. Bradshaw  
Sr. Staff Env./Reg. Spec.

Attachment

RLB/dst

cc: Well file  
Shannon Shaw - BLM, Carlsbad, NM

Southland Royalty Company  
West Corbin Federal #13  
Surface Commingle Permit Request

	West Corbin Federal No. 1 Battery	Commingled	West Corbin Federal No. 13
Formation	Wolfcamp		Bone Spring
API Gravity	41.7°	39.7°	31.6°
Volumes	500 bbls/day	603 bbls/day	103 bbls/day
Value, \$/bbl	\$17.57/bbl	\$17.546/bbl	\$17.384/bbl
Value	\$8,785.00/day	\$10,580.238/day	\$1,790.552/day

Combined Value           \$10,575.552 per day

Commingled Value       \$10,580.238 per day

Value Gain               \$     4.686 per day or \$0.0078/bbl/day

NOTE: \$17.57/bo weighted average price as of 4/30/90  
\$0.02 deduct per 1° API gravity below 40.9° API gravity



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
CARLSBAD RESOURCE AREA HEADQUARTERS  
P.O. BOX 1778  
CARLSBAD, NEW MEXICO 88220



3162 (067)

JUN 06 1990

Meridian Oil, Inc.  
Attn: R. L. Bradshaw  
21 Desta Drive  
Midland, TX 79705

RE: NM-93  
West Corbin Federal #13  
SW1/4SE1/4, Sec. 18,  
T18S, R33E; NMPM

Gentlemen:

Your request to surface commingle West Corbin Bone Spring production from the above referenced well with South Corbin Wolfcamp production from your West Corbin Federal #1 well located in the SE1/4NE1/4 of Sec. 18, T. 18 S., R. 33 E.; NMPM, Lease Number NM-93, is hereby approved.

It is our understanding that the common battery facility will be located at the West Corbin Federal #1 wellsite.

We recognize that your request is made in the interest of conservation and will not result in reduced royalty or improper measurement since each well's flow will be metered separately prior to commingling to ensure proper allocation back to the contributing sources.

Please contact Shannon J. Shaw at (505) 887-6544 or at the letterhead address if any further information is required.

Sincerely,

Orig. Signed by Richard L. Manus

Richard L. Manus  
Area Manager



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

*AMENDED COMMINGLING ORDER PC-776*

Meridian Oil, Inc.  
21 Desta Drive  
Midland, TX 79705

Attention: Robert L. Bradshaw

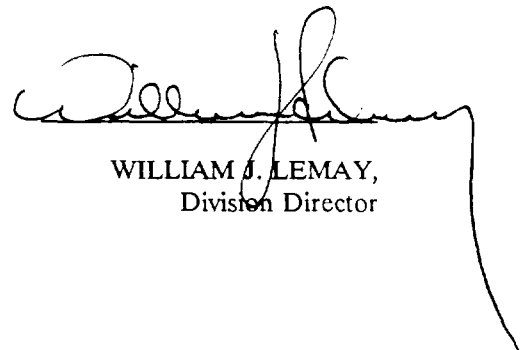
LEASE NAME: West Corbin Federal Lease  
DESCRIPTION: Section 7: All; Section 8: S/2; Section 17: N/2; Section 18: All, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.

The above-named company is hereby authorized to commingle South Corbin Wolfcamp, South Corbin Bone Spring and West Corbin-Delaware Pool production in a common tank battery. The production from each pool shall be determined as follows:

- (a) Production from the South Corbin-Bone Spring Pool shall be separately metered prior to commingling;
- (b) Production from the West Corbin-Federal Well No. 17, 20 and 24, West Corbin-Delaware Pool, shall be individually and separately metered prior to commingling; and
- (c) The remaining production shall be allocated on the basis of well tests.

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 28th day of November, 1990.



WILLIAM J. LEMAY,  
Division Director

WJL/DRC/ag

cc: Oil Conservation Division - Hobbs  
US Bureau of Land Management - Carlsbad