

MERIDIAN OIL

ALCOHOLIC A DIVISION
RECEIVED

191 03-17 009 9 17

August 7, 1991

Mr. Clyde Langdale
State Land Office
310 Old Santa Fe Trail
State Land Office Bldg., Room 102
Santa Fe, NM 87504-1148

RE: MERIDIAN OIL INC.
OCD COMMINGLE PERMIT PC-780

Dear Mr. Langdale:

This application seeks to amend our commingle permit for the above referenced facility. The original permit authorized production from the Mitchell 16 State # 1 and # 2 (Wolfcamp) and from the Mitchell 16 State #3 (San Andres) at the Mitchell 16 State battery. We would now like to add the Young 16 State # 1 well (Delaware) to this existing commingle permit. This package is intended to comply with State Land Office Rule 1.055 as described in Attachment 1.

If you have any questions, please contact me at (915) 686-5681.

Sincerely,



Connie L. Malik
Regulatory Compliance Rep.

CLM/cm

attachment

cc: Well File
D.D. McBee
OCD - Santa Fe
Earlene Parker

ATTACHMENT 1

State Land Office Rule 1.055 Requirements

A. This package of information is Meridian's formal application. Currently we have one tank battery constructed at the Mitchell 16 State # 1 location. One battery handles production from the Mitchell 16 # 1, #2 and #3. We propose to maximize the use of our existing facility by commingling the Young 16 State # 1 with these three Mitchell wells. A money order for \$30.00 to cover the application fee is enclosed.

B. A plot showing the location of the lease, wells, and flow line is attached and titled Attachment 2 - Requirement B. All production equipment is located at the Mitchell 16 State # 3 location and all piping is above ground unless otherwise noted.

C. The lease involved is lease B-1357.

D. The wells produce from the following pools:

Young 16 State # 1	Young(Delaware)
Mitchell 16 State # 1	Young(Wolfcamp)
Mitchell 16 State # 2	Young(Wolfcamp)
Mitchell 16 State # 3	Young(San Andres)

E. Commingling the streams as described will have no negative impact on the revenue to the State of New Mexico. The end result will be that the State realizes more revenue from the production of the Young 16 State # 1 well.

F. A schematic diagram of the entire system from the wells to the sales connection is attached as Attachment 2 - Requirement F. The diagram shows the layout and position of the equipment components. This includes pipe, valves, tanks, treaters, and flow lines.

G. There are no specially fabricated equipment items employed. All items are commercially available.

H. Lease operation will be as follows: Two separators and treaters are installed to handle the production from the wells. Separators and treaters have been converted to test equipment to test the wells on a monthly basis.

I. The above discussion should contain all pertinent data concerning the commingling application.

MERIDIAN OIL INC.
MITCHELL 16 STATE LEASE
AMMENDMENT TO COMMINGLE PERMIT PC-780
V-1357

	<u>Battery</u>	<u>Delaware</u>	<u>Commingled</u>
API Gravity	41.7	38.5	41.2
Volume, Bbl/day	460	80	540
Volume, \$/Bbl	20.25	20.22	20.25
Value, \$	9,315.00	1,617.60	10,935.00
	Combined Value	\$10,932.60	
	Commingled Value	\$10,935.00	
	Value Gain (Loss)	2.40	

Note: \$20.25 - W.T.I. price as of 7/31/91.

Existing Commingle

Mitchell 16 State #1 - Wolfcamp
Mitchell 16 State #2 - Wolfcamp
Mitchell 16 State #3 - San Andres

Proposed addition to Commingle

Young 16 State # 1 - Delaware

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

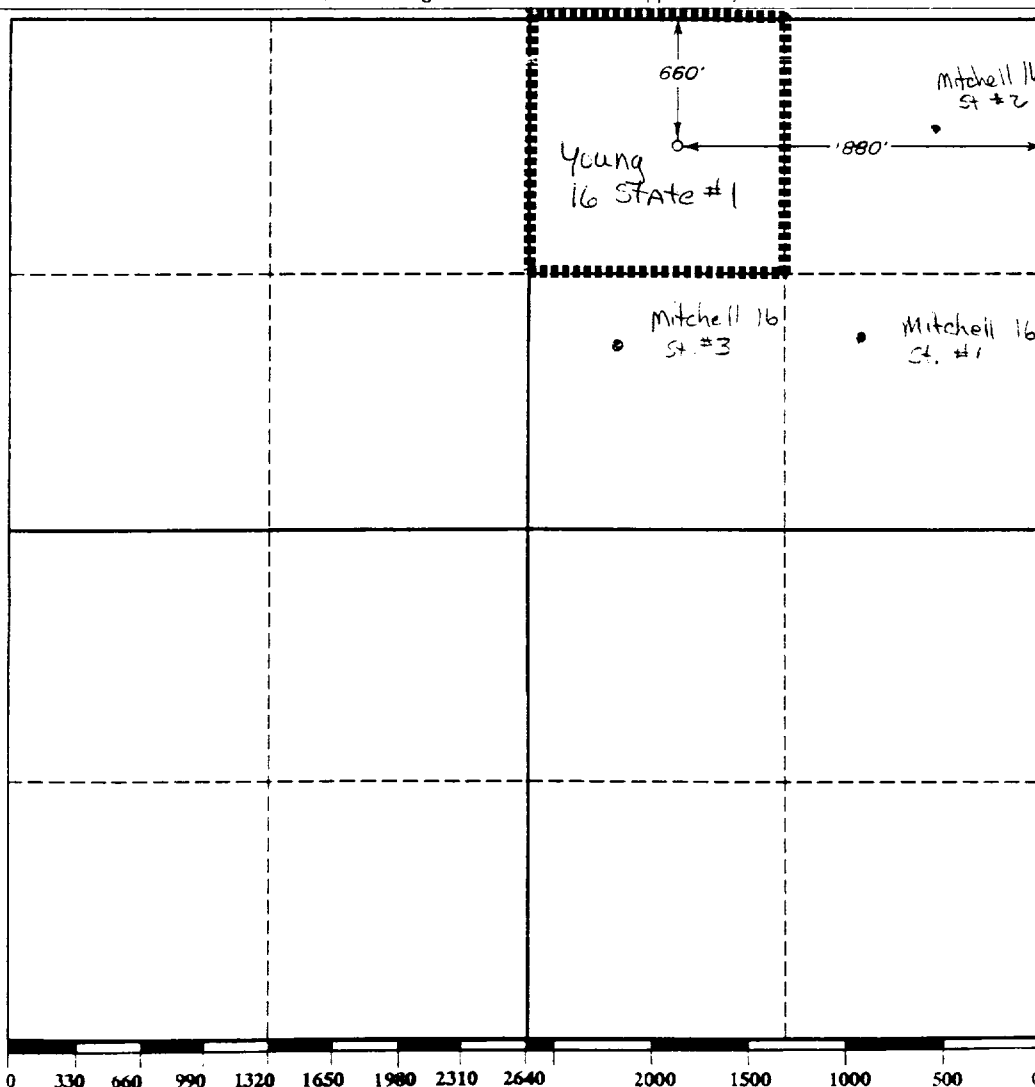
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.		
MERIDIAN OIL, INC.	YOUNG STATE "16"	1		
Unit Letter	Section	Township	Range	County
B	16	18-SOUTH	32-EAST	NMPM
Actual Footage Location of Well:				LEA
660 feet from the NORTH line and		1880 feet from the EAST line		
Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:	
3798'	Delaware / Bone Springs / Galloway	Young	40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is yes type of consolidation _____
If answer is no list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Connie Malik

Printed Name

Regulatory Analyst

Position

Meridian Oil Inc

Company

5-22-91

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

JANUARY 2, 1991

Signature & Seal of
Professional Surveyor

Certificate No.

V. LYNN BEZNER, R.L.S. #7920

ASSOCIATION
P.O. BOX 307 OLNEY, TEXAS 76374
(817) 564-5502

REQUIRED BEFORE ANY OFFICIAL CHECK WILL BE
REPLACED OR REFUNDED IN THE EVENT IT IS LOST,
MISPLACED OR STOLEN.

90-7

88-7265/3119

MONEY ORDER

ACCOUNT NUMBER
9-1850-0052

CHECK NO.
90-421066

DATE
AUG-08-91

*****\$30*DOLLARS AND 00 CENTS

*****\$30.00***

PAY

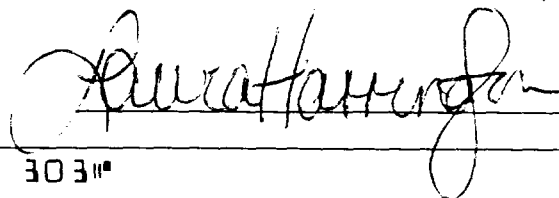
STATE LAND OFFICE

AMOUNT

TO THE
ORDER
OF

MERIDIAN OIL

REMITTER



⑈90421066⑈ ⑆311972652⑆923190090 303⑈

DATE	TRANSACTION DESCRIPTION
AUG-08-91	5205 MD 8/8/91 MERIDIAN OIL 9-1850-0052 *****\$30.00***

50 X07E 00.00 2305-0887-8 16/807E
DETACH AND RETAIN FOR YOUR RECORDS