MERIDIAN OIL

CONTROLETS OF AN DIVISION RELEASED

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June 22, 1992

Mr. David Catanach Oil Conservation Commission P.O. Box 2088 Santa Fe, NM 87504-2088

RE: REQUEST TO AMEND COMMINGLE PLC-89 STATE "16" LEASE - LG-4087 ADD CORBIN STATE # 2 - LH-1840 ALSO, REQUEST OFF LEASE STORAGE, RULE 309C FOR THE CORBIN STATE LEASE (LH-1840) to the STATE "16" BATTERY LOCATED IN J, SEC. 16, T18S, R33E, LEA COUNTY, NM

Dear Mr. Catanach:

We are requesting this amendment to surface commingle permit no. PLC-89 to add the Corbin State # 2 well to the existing battery located at out State "16" battery. Commingling is currently approved at that location for West Corbin Delaware. South Corbin Bone Springs and South Corbin Wolfcamp production. The Corbin State # 2 is being completed in the Wolfcamp.

The attached chart indicates a slight monetary gain is associated by increasing the volume of higher gravity oil from the Wolfcamp zone. Also, attached for your use is a plat depicting the location of all of the wells and a site facility diagram for the battery.

If other information is needed, please contact me at (915) 688-6898.

Sincerely, 1.11 marche Connie L. Malik

Connie L. Malik Regulatory Compliance Rep.

CLM/cm

OFE CONSERVE ON DIVISION RECEIPED

MERIDIAN OIL

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June 9, 1992

Mr. Floyd Prando, Director State of New Mexico Office of the Commissioner of Public Lands Oil, Gas and Minerals Division P.O. Box 1148 Santa Fe, NM 87504-1148

RE: REQUEST TO AMEND COMMINGLE PLC-89 STATE "16" LEASE - LG-4087 ADD CORBIN STATE # 2 - LH-1840 ALSO, REQUEST OFF LEASE STORAGE, RULE 309C FOR THE CORBIN STATE LEASE (LH-1840) to the STATE "16" BATTERY LOCATED IN J, SEC. 16, T18S, R33E, LEA COUNTY, NM

Dear Mr. Prando:

We are requesting this amendment to surface commingle permit no. PLC-89 to add the Corbin State # 2 well to the existing battery located at out State "16" battery. Commingling is currently approved at that location for West Corbin Delaware. South Corbin Bone Springs and South Corbin Wolfcamp production. The Corbin State # 2 is being completed in the Wolfcamp.

The attached chart indicates a slight monetary gain is associated by increasing the volume of higher gravity oil from the Wolfcamp zone. Also, attached for your use is a plat depicting the location of all of the wells and a site facility diagram for the battery.

A \$30.00 check is enclosed to cover the application fee. If other information is needed, please contact me at (915) 688-6898.

Sincerely,

. Walik

Connie L. Malik Regulatory Compliance Rep.

CLM/cm

Mr. David Catanach Oil Conservation Commission Page 2

	State 16 Lease	Corbin St. #2	Proposed	
	<u>Current Commingle</u>	Proposed Add	Commingle	
API Gravity Volume, B.O. /Day Value*, \$/bbl Value, \$/day	466 \$ 21.23 \$9,895.	40.5 400 \$ 21.25 \$8,500.	40.19 866 \$ 21.25 \$18,402.	

Combined Value, \$/day\$18,395.Commingled, \$/day\$18,402.Gain (Loss), if Commingled\$7.00

There is no economic loss involved with the commingling of the 400 bbls. of Wolfcamp oil from the Corbin State # 2 to the State 16 battery. The additional volume of higher gravity oil actually increases the value of the oil sold from the battery.

Production at the State 16 Battery will be tested one time each month, per well, through a metered "test" heater treater.

Based on weighted avg. price for June, 1992 of \$21.25 with a \$0.02 per bbl price deduct for every degree below 40.9° API gravity.

West Corbin Delaware - 38 API gravity - \$21.19 South Corbin Wolfcamp - 40.5 API gravity - \$21.25 South Corbin Bone Springs - 39 API gravity - \$21.21

WELLS PRESENTLY COMMINGLED:

••

West Corbin (Delaware
South Corbin (Bone Spring)
West Corbin (Delaware)
South Corbin (Wolfcamp)
South Corbin (Wolfcamp)
South Corbin (Wolfcamp)
South Corbin (Wolfcamp)

ADD:

Mr. David Catanach Oil Conservation Commission Page 3

cc: Well Files Brett Adams Jt. Interest Prod. Engineer E. M. Carpenter - Hobbs Production Svcs.

Lease Files Land Dept. D. McBee Brett Adams Reading File Regulatory File

xc: Mr. Floyd Prando State of New Mexico Office of the Commissioner of Public Lands Oil, Gas and Minerals Division P.O. Box 1148 Santa Fe, NM 87504-1148

> Texas-New Mexico Pipeline Co. P.O. Box 2528 Hobbs, NM 88241-2528

Mr. Jerry Sexton Oil Conservation Commission P.O. Box 1980 Hobbs, NM 86241-1980



COMMISSIONER OF PUBLIC LANDS JIM BACA

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

COMMINGLE PRE-APPLICATION

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

-Amend commingling order PLC-89 Exception to SWR 303-B Surface Commingling to exception to SWR 309-B Lease Commingling Also, request off lease storage, rule 309C for the Corbin State Lease (LH-1840) to the State "16" battery located in J, Sec. 16, T18S, R33E, Lea County, NM Lease Name: State "16" Lease (LG-4087) Description: S/2 Sec. 16, T18S, R33E, Lea County, NM, Battery located in Unit Letter J

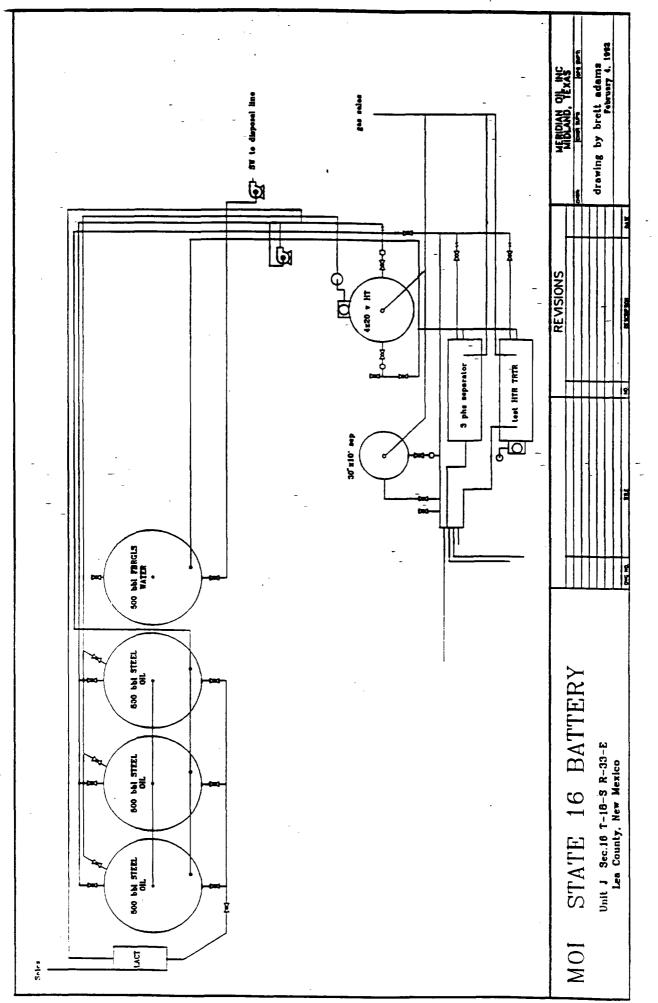
Lease Name: Corbin State Lease (LH-1840 Description: N/2 Sec. 16, T18S, R33E, Lea County, NM

2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

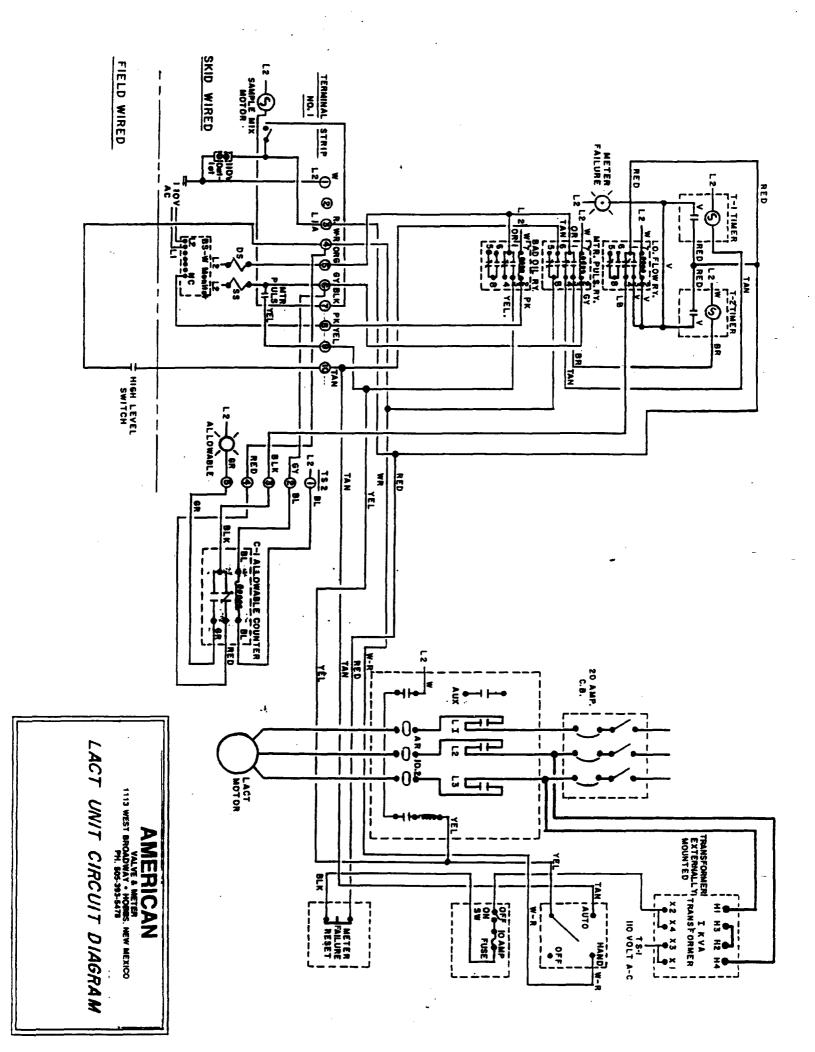
Southland Royalty Compnay and Meridian Oil Inc are the same company

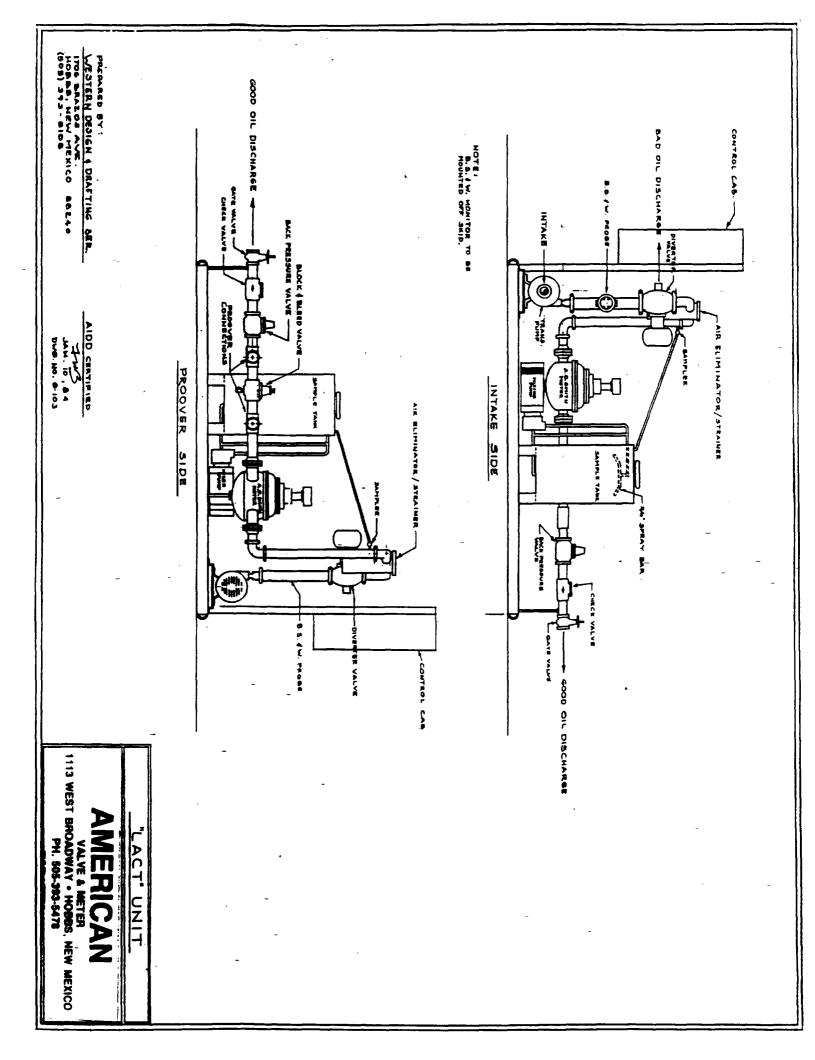
-WELL - LEGAL NUMBER DESCRIPTION "16" Lease	LESSEE OF RECORD	N.M. LEASE NUMBER LG-4087	FORMATION
≠1 J	Southland Royalty	LG-4087	Wolfcamp
=2N	Company	LG-4087	Wolfcamp
=3 L	same	LG-4087	Delaware
=4 <u>M</u>	same	LG-4087	Delaware
75 N -	same	LG-4087	Delaware
#7 <u>P</u>	same	LG-4087	Wolfcamp
78 P	same	LG-4087	Delaware
a <u>15 State Lease</u>		V8-161	
#1 M	Meridian Oil Inc	V8-161	Delaware
#2Y N	same	<u>V8-161</u>	Bone Spring
n State Lease	Meridian Oil Inc	LH-1840	
#2 H	same	LH-1840	Wolfcamp
NAME :			
COMPANY:			

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

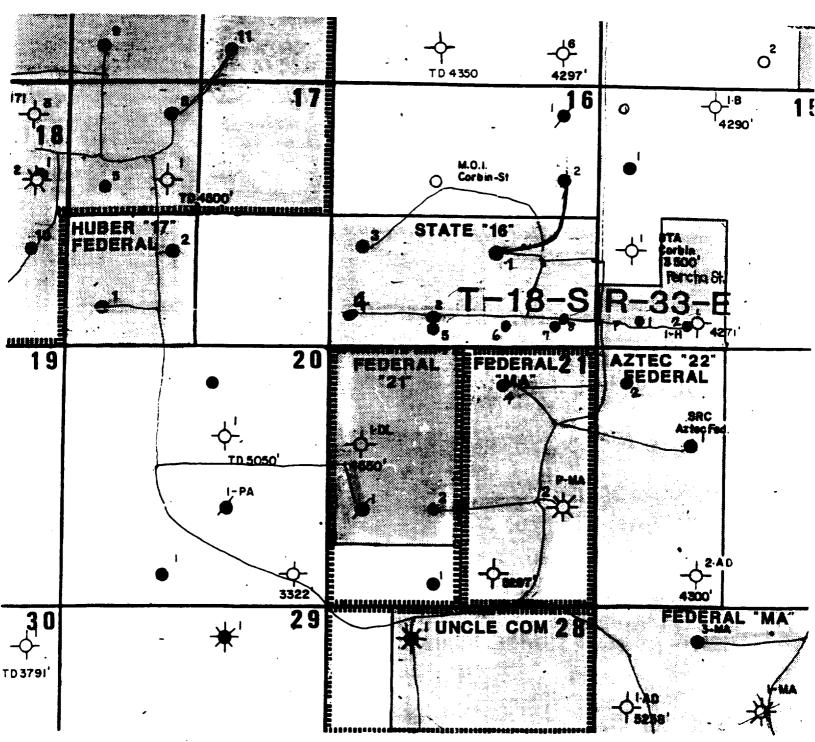


- # 1. BS & W MONITOR
- # 2. CONTROL BOX
- # 3. TRANSFER PUMP & MOTOR
- # 4. PROBE
- # 5. DIVERT VALVE
- # 6. SAMPLER
- # 7. AIR ELIMEINATOR/STRAINER
- # 8. METER
- # 9. BLOCK & BLEED VALVE
- # 10. BACK PRESSURE VALVE
- # 11. SAMPLE TANK
- # 12. SAMPLE MIXING PUMP
- # 13. CHECK VALVE





Flowlines



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