

# MERIDIAN OIL

COMPLETION DIVISION  
RECEIVED

JUN 22 1992 9 30

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

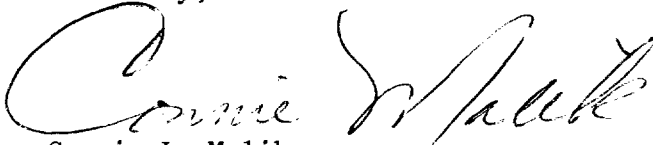
Dear Mr. Catanach:

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,



Connie L. Malik  
Regulatory Compliance Rep.

CLM/cm

OIL CONSERVATION DIVISION  
RECEIVED

MERIDIAN OIL

'92 JUN 15 AM 9 07

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  
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ALSO, REQUEST OFF LEASE STORAGE, RULE 309C  
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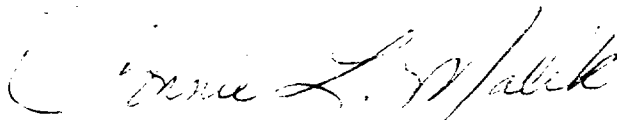
Dear Mr. Prando:

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,



Connie L. Malik  
Regulatory Compliance Rep.

CLM/cm

Mr. David Catanach  
Oil Conservation Commission  
Page 2

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

Percha 15 # 1, Unit M	West Corbin (Delaware)
Percha 15 #2Y, Unit N	South Corbin (Bone Spring)
State 16 # 4, Unit M	West Corbin (Delaware)
State 16 # 5, Unit N	West Corbin (Delaware)
State 16 # 8, Unit P	West Corbin (Delaware)
State 16 # 3, Unit L	West Corbin (Delaware)
State 16 # 1, Unit J	South Corbin (Wolfcamp)
State 16 # 2, Unit N	South Corbin (Wolfcamp)
State 16 # 7, Unit P	South Corbin (Wolfcamp)
ADD:	
Corbin State # 2, Unit H	South Corbin (Wolfcamp)

Mr. David Catanach  
Oil Conservation Commission  
Page 3

cc:	Well Files	Lease Files
	Brett Adams	Land Dept.
	Jt. Interest	D. McBee
	Prod. Engineer	Brett Adams
	E. M. Carpenter - Hobbs	Reading File
	Production Svcs.	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 Company and Meridian Oil Inc are the same company

WELL NUMBER	LEGAL DESCRIPTION	MINERAL LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
State "16" Lease			LG-4087	
#1	J	Southland Royalty	LG-4087	Wolfcamp
#2	N	Company	LG-4087	Wolfcamp
#3	L	same	LG-4087	Delaware
#4	M	same	LG-4087	Delaware
#5	N	same	LG-4087	Delaware
#7	P	same	LG-4087	Wolfcamp
#8	P	same	LG-4087	Delaware
Percha 15 State Lease			V8-161	
#1	M	Meridian Oil Inc	V8-161	Delaware
#2Y	N	same	V8-161	Bone Spring
Corbin State Lease		Meridian Oil Inc	LH-1840	
#2	H	same	LH-1840	Wolfcamp

NAME:

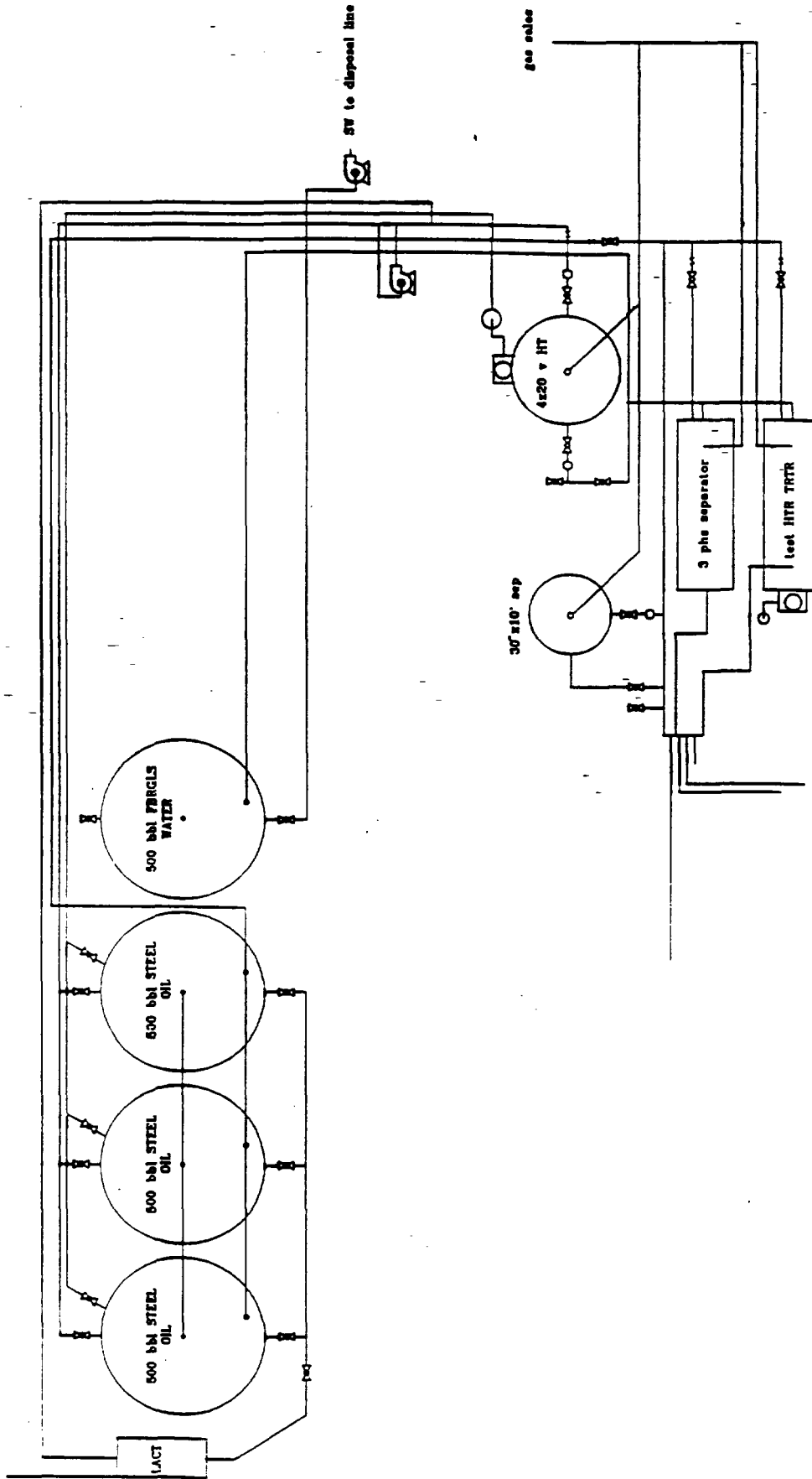
COMPANY:

PHONE NUMBER:

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

KKCS 06-04-91

Sales



# MOI STATE 16 BATTERY

Unit J Sec.16 T-18-S R-33-E  
Lea County, New Mexico

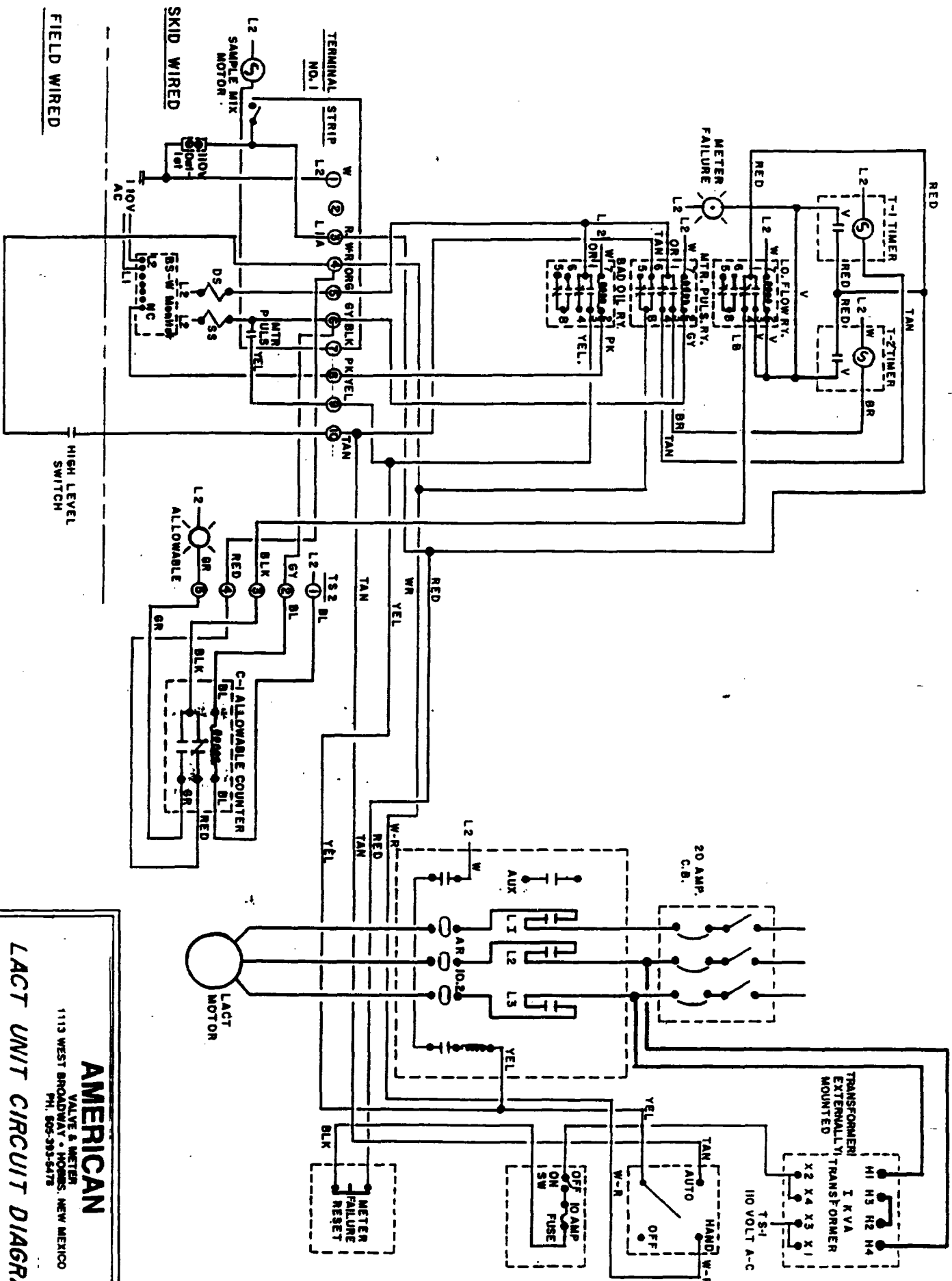
## REVISIONS

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drawing by Brett Adams  
February 4, 1952

Meridian Oil, Inc.  
Midland, Texas

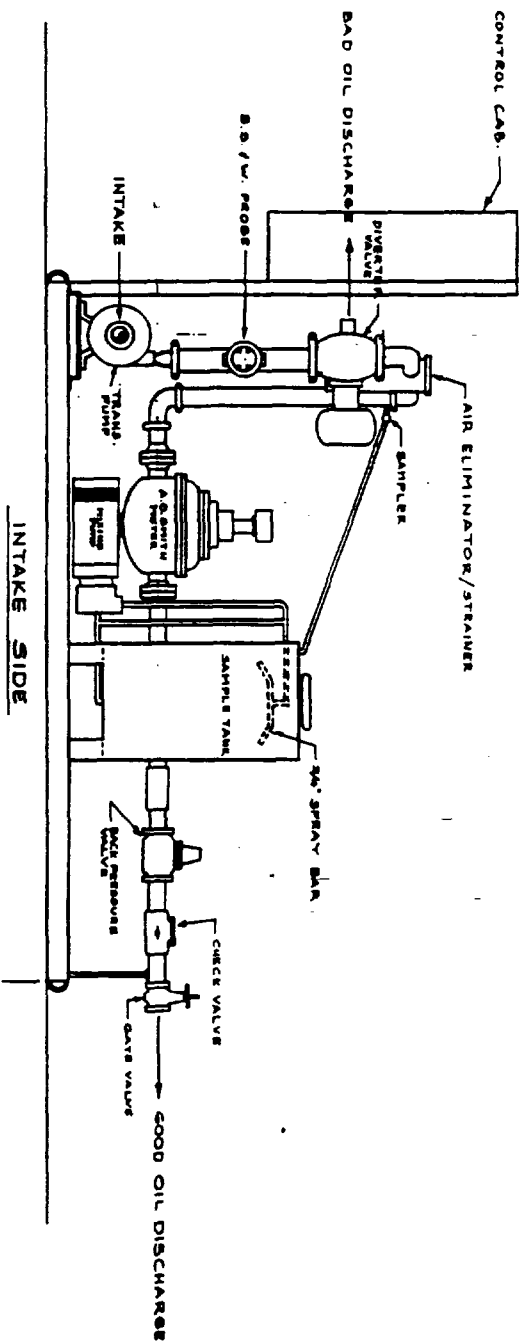
- # 1. BS & W MONITOR
- # 2. CONTROL BOX
- # 3. TRANSFER PUMP & MOTOR
- # 4. PROBE
- # 5. DIVERT VALVE
- # 6. SAMPLER
- # 7. AIR ELIMEINATOR/STRAINER
- # 8. METER
- # 9. BLOCK & BLEED VALVE
- # 10. BACK PRESSURE VALVE
- # 11. SAMPLE TANK
- # 12. SAMPLE MIXING PUMP
- # 13. CHECK VALVE



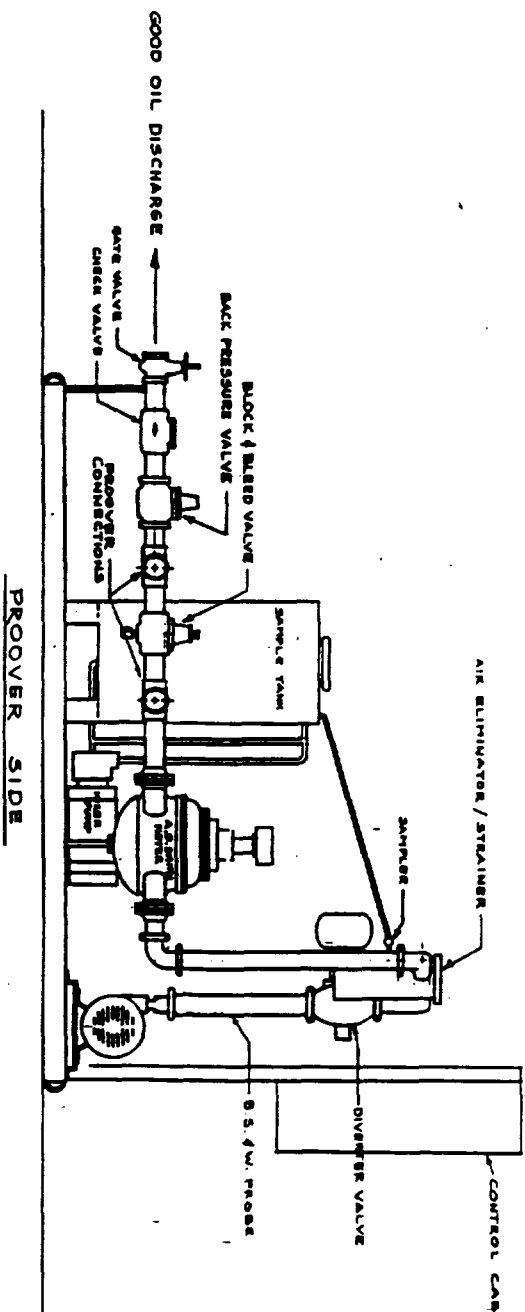
LACT UNIT CIRCUIT DIAGRAM

**AMERICAN**  
VALVE & METER  
1113 WEST BROADWAY • HOUSTON, NEW MEXICO  
PH. 505-283-6478





NOTE:  
B.S./W. MONITOR TO BE  
MOUNTED OFF SKID.



PREPARED BY:  
WESTERN DESIGN & DRAFTING CORP.  
1705 BRADDOCK AVE.  
HOBBES, NEW MEXICO 80540  
(800) 393-8100

AIDED CERTIFIED  
JAN. 10, 84  
DWG. NO. 6-103

"LACT" UNIT

**AMERICAN**

VALVE & METER  
1113 WEST BROADWAY • HOBBES, NEW MEXICO  
PH. 505-393-5478



