

# MERIDIAN OIL

March 28, 1994

Mr. David Catanach  
Oil Conservation Division  
P.O. Box 2088  
Sante Fe, New Mexico 87504

Re: Amending of PC-849

Mr. Catanach:

Meridian Oil Inc. respectfully requests approval to add the Red Tank Federal Lease to the existing commingling order covering our Checkerboard '23' Federal Lease located in Sec. 23, T22S, R32E in Lea County, New Mexico. The Red Tank Federal Lease is located in Sec. 14, T22S, R32E in Lea County, New Mexico. Both leases are in the West Red Tank Delaware and Red Tank Bone Spring field. We also request that this commingling order cover all subsequent wells in either lease in the future.

## RED TANK FEDERAL LEASE

Red Tank Federal # 1	O, 330' FSL & 1980' FWL
Red Tank Federal # 2 (SWD) *	O, 532' FSL & 1958' FWL
Red Tank Federal # 3 (PRO)	P, 330' FSL & 990' FWL
Red Tank Federal # 4 (PRO)	J, 1650' FSL & 1980' FWL

\* Re-Entry of a P & A'd well and subsequent conversion to a SWD to serve both the Red Tank Federal Lease and Checkerboard '23' Federal Lease.

Proposed production from these wells is as follows:

WELL NAME	BOPD	OIL GRAVITY	MCFPD	FORMATION
Red Tank Federal # 1	100	39.1	190	Delaware
Red Tank Federal # 2 SWD	n/a	n/a	n/a	Delaware
Red Tank Federal # 3	100	39.1	190	Delaware
Red Tank Federal # 4	100	39.1	190	Delaware

A map is enclosed showing the lease(s) and location of all wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.


The storage and measuring facility is located at the SW4/SE4 of Sec. 23, T22S, R32E, Lea County New Mexico. All of the wells on the Checkerboard '23' Federal lease at various times of the month are routed to a test vessel situated by the common storage vessel to be individually tests (well tests). All the gas is metered. The Red Tank Federal lease prior to going off lease to the common storage and test vessel will be sent through a satellite for allocation purposes. All the gas is metered.

**Meridian owns 100% of the Red Tank Federal lease (Nm 77058). Meridian owns 87.6% of the Checkerboard '23' lease (NM 81633). The working interest owners have been notified and have no objection to this arrangement.**

**The proposed amendment of PC 849 is in the interest of conservation and in no way will reduce the quality of the hydrocarbon nor will result in improper measurement of production. The proposed commingling is necessary for continued operation of the above referenced lease(s).**

**Please find attached a copy of the application submitted to the Bureau of Land Management and a copy of the existing commingling PC 849 issued on March 21, 1994.**

Sincerely,

A handwritten signature in dark ink, appearing to read "Donna J. Williams", written over a horizontal line.

**Donna J. Williams  
Production Assistant  
915-688-6943**

**WINDMILL BRAND**

42-44	100-104	42-44
42-46	100-106	42-46
42-48	100-108	42-48
42-50	100-110	42-50
42-52	100-112	42-52
42-54	100-114	42-54
42-56	100-116	42-56
42-58	100-118	42-58
42-60	100-120	42-60
42-62	100-122	42-62
42-64	100-124	42-64
42-66	100-126	42-66
42-68	100-128	42-68
42-70	100-130	42-70
42-72	100-132	42-72
42-74	100-134	42-74
42-76	100-136	42-76
42-78	100-138	42-78
42-80	100-140	42-80
42-82	100-142	42-82
42-84	100-144	42-84
42-86	100-146	42-86
42-88	100-148	42-88
42-90	100-150	42-90
42-92	100-152	42-92
42-94	100-154	42-94
42-96	100-156	42-96
42-98	100-158	42-98
42-100	100-160	42-100
42-102	100-162	42-102
42-104	100-164	42-104
42-106	100-166	42-106
42-108	100-168	42-108
42-110	100-170	42-110
42-112	100-172	42-112
42-114	100-174	42-114
42-116	100-176	42-116
42-118	100-178	42-118
42-120	100-180	42-120
42-122	100-182	42-122
42-124	100-184	42-124
42-126	100-186	42-126
42-128	100-188	42-128
42-130	100-190	42-130
42-132	100-192	42-132
42-134	100-194	42-134
42-136	100-196	42-136
42-138	100-198	42-138
42-140	100-200	42-140
42-142	100-202	42-142
42-144	100-204	42-144
42-146	100-206	42-146
42-148	100-208	42-148
42-150	100-210	42-150
42-152	100-212	42-152
42-154	100-214	42-154
42-156	100-216	42-156
42-158	100-218	42-158
42-160	100-220	42-160
42-162	100-222	42-162
42-164	100-224	42-164
42-166	100-226	42-166
42-168	100-228	42-168
42-170	100-230	42-170
42-172	100-232	42-172
42-174	100-234	42-174
42-176	100-236	42-176
42-178	100-238	42-178
42-180	100-240	42-180
42-182	100-242	42-182
42-184	100-244	42-184
42-186	100-246	42-186
42-188	100-248	42-188
42-190	100-250	42-190
42-192	100-252	42-192
42-194	100-254	42-194
42-196	100-256	42-196
42-198	100-258	42-198
42-200	100-260	42-200
42-202	100-262	42-202
42-204	100-264	42-204
42-206	100-266	42-206
42-208	100-268	42-208
42-210	100-270	42-210
42-212	100-272	42-212
42-214	100-274	42-214
42-216	100-276	42-216
42-218	100-278	42-218
42-220	100-280	42-220
42-222	100-282	42-222
42-224	100-284	42-224
42-226	100-286	42-226
42-228	100-288	42-228
42-230	100-290	42-230
42-232	100-292	42-232
42-234	100-294	42-234
42-236	100-296	42-236
42-238	100-298	42-238
42-240	100-300	42-240
42-242	100-302	42-242
42-244	100-304	42-244
42-246	100-306	42-246
42-248	100-308	42-248
42-250	100-310	42-250
42-252	100-312	42-252
42-254	100-314	42-254
42-256	100-316	42-256
42-258	100-318	42-258
42-260	100-320	42-26



Compressor Systems, Inc.

ENGINEERING CHART

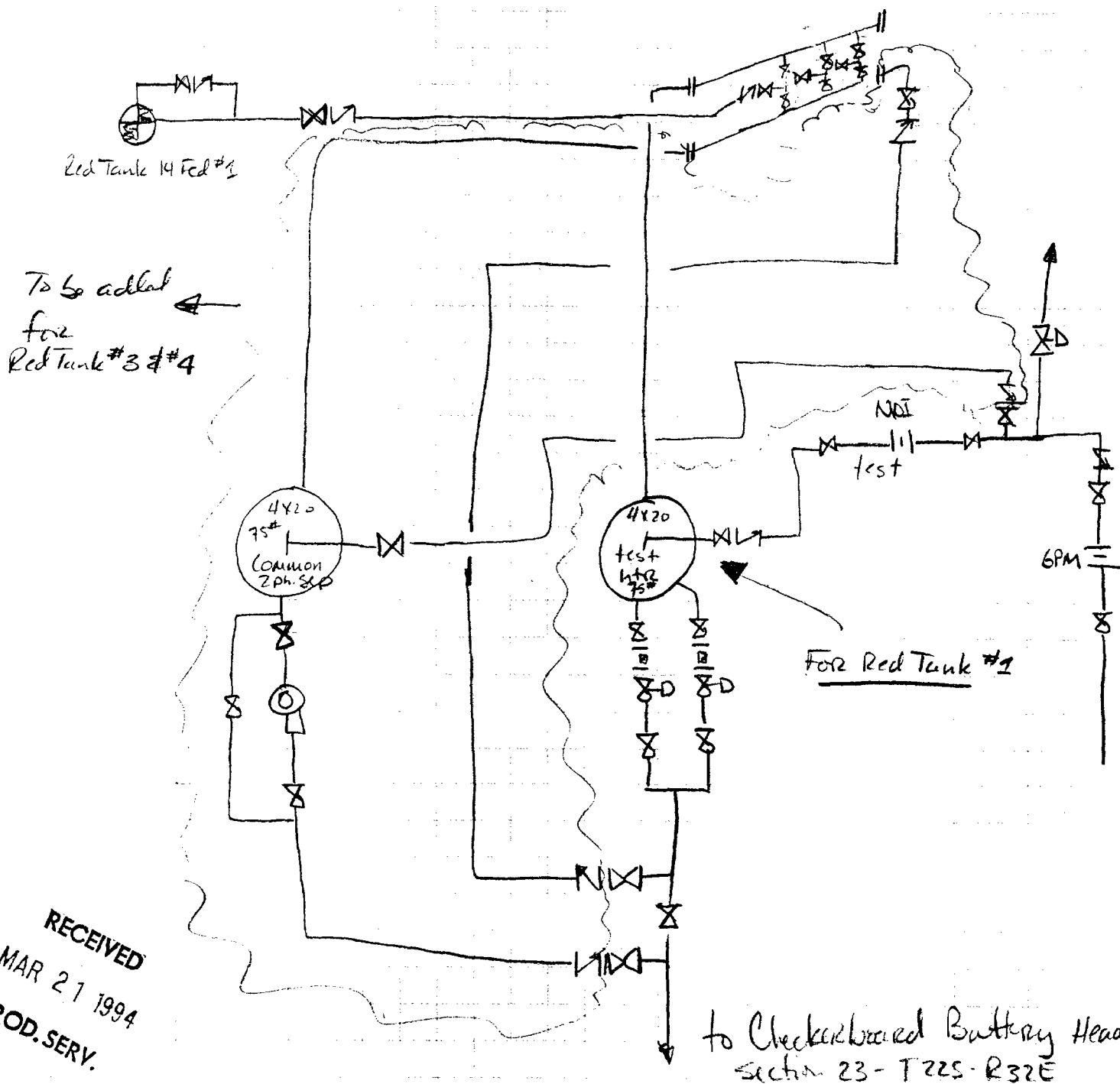
DATE 3/18/94  
BY J. L. Plante

SUBJECT Red Tank Proposed Satellite

UL N Section 14 T22S-R32E  
Lea County, NM

RED TANK FEDERAL LEASE  
SEC. 14, T22S, R32E  
LEA COUNTY, NEW MEXICO

No Scale



RECEIVED  
MAR 21 1994  
PROD. SERV.

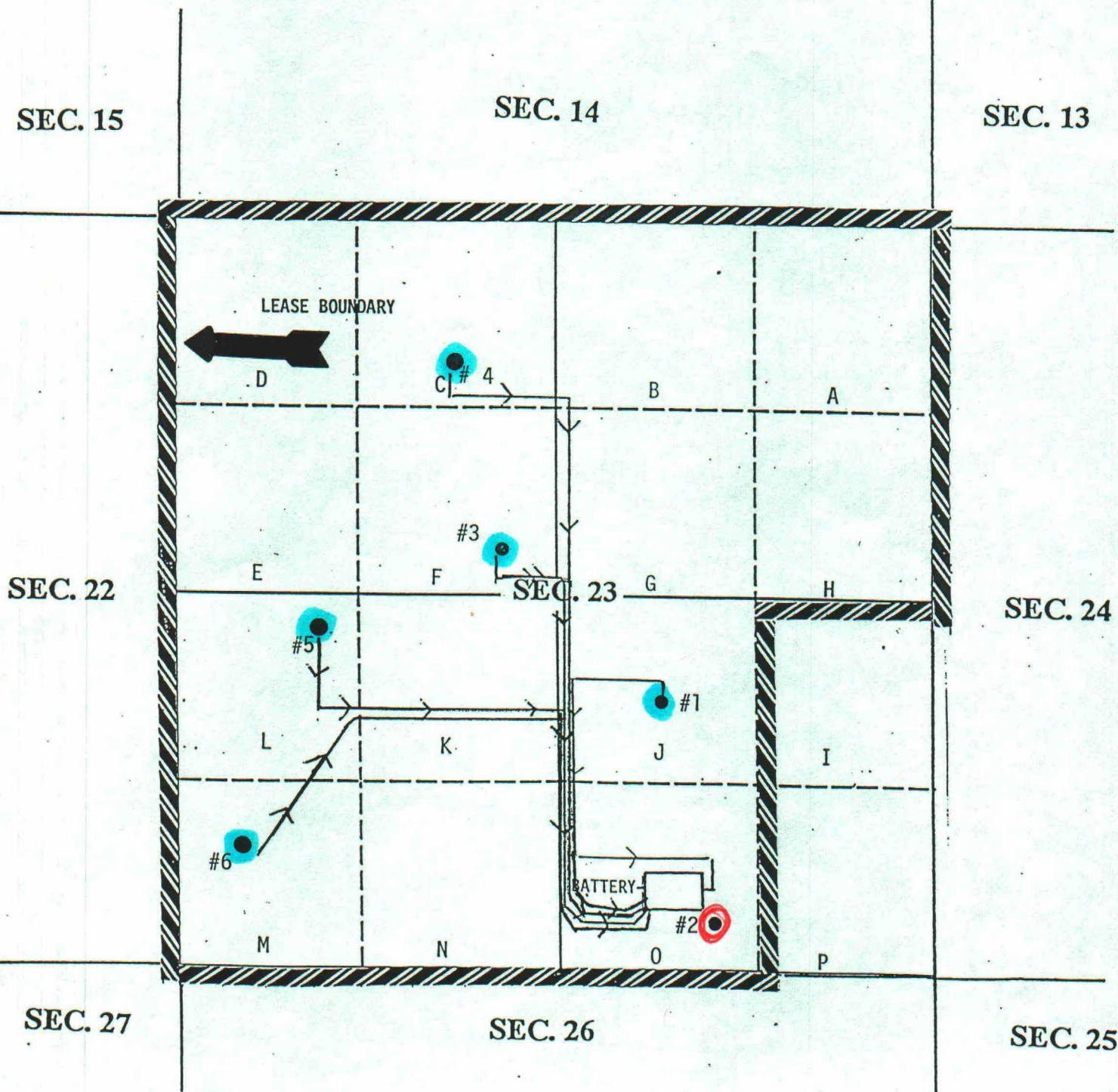
**MERIDIAN OIL INC.**  
**CHECKERBOARD 23 FEDERAL LEASE**  
**LEASE NO. NM-81633**  
**SEC. 23, T-22-S, R-32-E**  
**LEA COUNTY, NEW MEXICO**

**LEASE DESCRIPTION: 560 ACRES IN LEASE**  
**ALL OF SECTION 23 EXCEPT FOR THE E/2 OF THE SE/4**

**WEST RED TANK DELAWARE POOL AND RED TANK BONE SPRING POOL**

**WELL NO. 1, J, 1980' FSL & 1980' FEL**  
**WELL NO. 2, O, 330' FSL & 1650' FEL**  
**WELL NO. 3, F, 2310' FNL & 2295' FWL**

**WELL NO. 4, C, 990' FNL & 1980' FWL**  
**WELL NO. 5, L, 990' FWL & 2310' FSL**  
**WELL NO. 6, M, 403' FWL & 879' FSL**

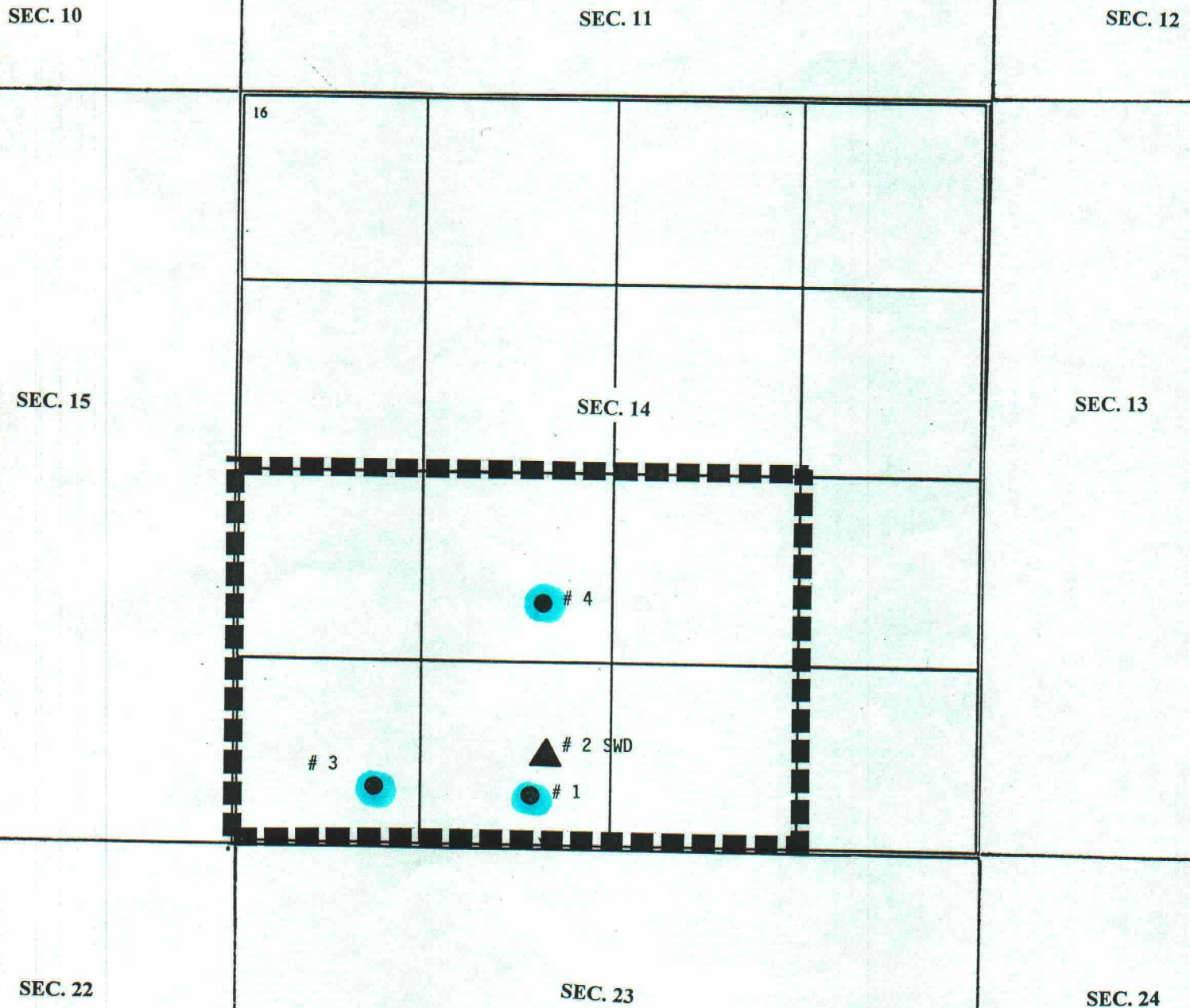




**MERIDIAN OIL INC.**  
**RED TANK FEDERAL LEASE**  
**LEASE NO. NM 77058**  
**SEC. 14, T-22-S, R-32-E**  
**LEA COUNTY, NEW MEXICO**

**LEASE DESCRIPTION: 240 ACRES IN LEASE**  
**ALL OF THE SOUTHWEST QUARTER OF SEC. 14 AND NW/SE AND SW/SE QUARTER OF**  
**SEC. 14**

**WEST RED TANK DELAWARE POOL AND RED TANK BONE SPRING POOL**





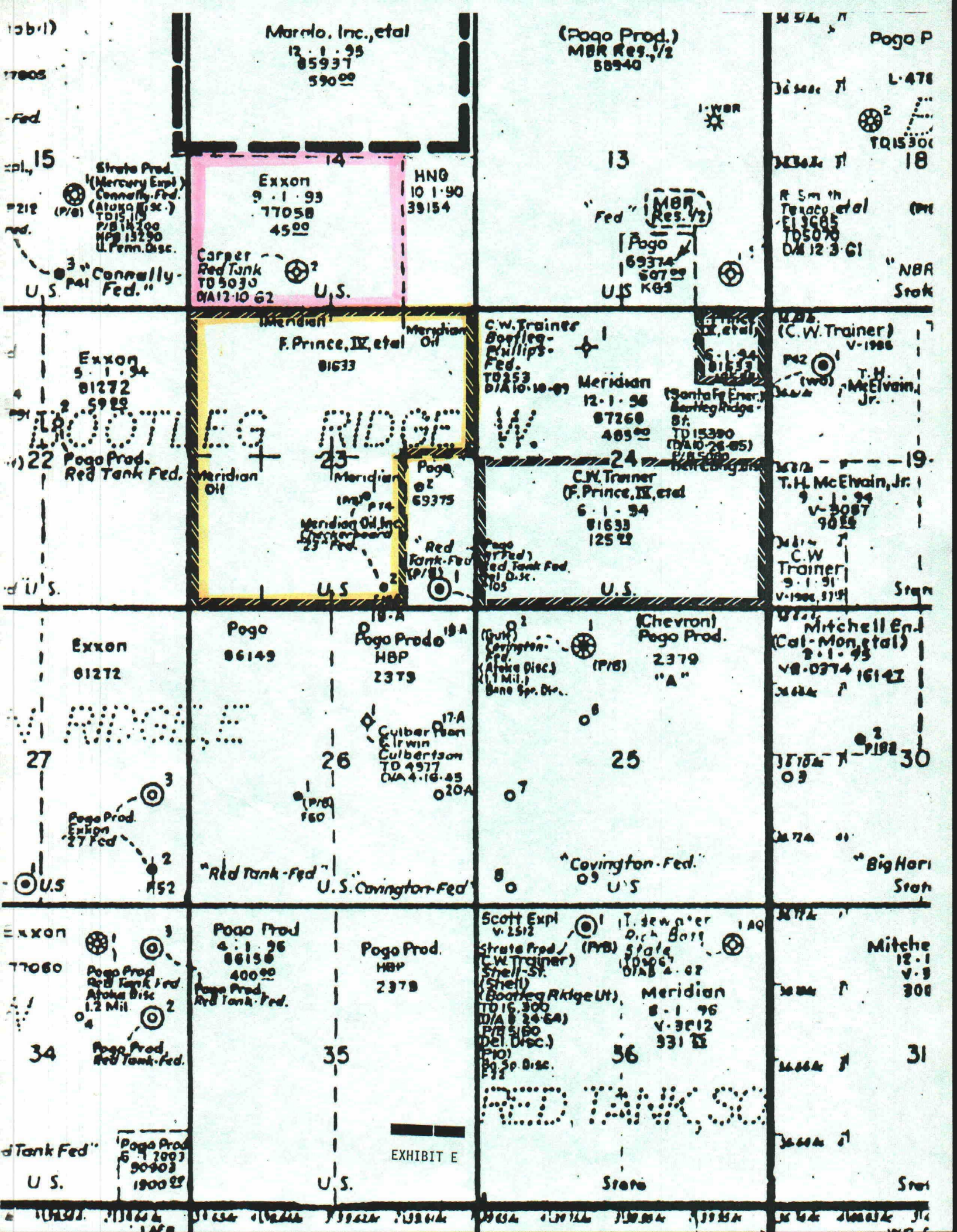


EXHIBIT E



RED TANK UNIT FEDERAL No. 2  
(DRY HOLE MARKER)  
CALLED: 660' FSL & 1980' FWL  
MEASURED: 542' FSL & 1958' FWL  
SECTION 14, T 22 S, R 32 E

RED TANK FEDERAL No. 1  
330' FSL & 1980' FWL  
SEC. 14, T 22 S, R 32 E

CHECKERBOARD "23" FEDERAL No. 4  
690' FSL & 1980' FWL  
SECTION 23, T 22 S, R 32 E

## NOTE - BASIS OF BEARINGS

BEARINGS FOR THIS SURVEY ARE BASED ON THE LINE BETWEEN A BRASS CAP FOUND FOR THE WEST QUARTER CORNER OF SECTION 23, AND A BRASS CAP FOUND FOR THE NORTH WEST CORNER OF SAID SECTION 23, T 22 S, R 32 E, NMFM, THE LINE IS ASSUMED TO BEAR N 0°01'00" W, 2641.32'.

## LEGAL DESCRIPTION:

AN EASEMENT FOR A PROPOSED FLOWLINE LOCATED IN SECTIONS 14 AND 23, TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMFM, LEA COUNTY, NEW MEXICO, SAID EASEMENT BEING FIFTY FEET WIDE AND BEING TWENTY FIVE FEET ON EITHER SIDE OF THE SURVEY CENTERLINE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FOR SURVEY STATION 0+00.00, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 14 BEARS S 55°35'29" E, 618.76 FEET;

THENCE S 1°50'00" E, AT 336.5 FEET CROSSING AN OVERHEAD SOUTHWESTERN PUBLIC SERVICE COMPANY POWER LINE FOR SURVEY STATION 3+36.3, AT 351.80 FEET CROSSING THE SOUTH LINE OF SAID SECTION 14 INTO SAID SECTION 23 FOR SURVEY STATION 3+51.80, AT 385.7 FEET CROSSING THE CENTER OF AN EXISTING DIRT TRAIL FOR SURVEY STATION 3+85.7, A TOTAL DISTANCE OF 1171.35 FEET TO A POINT FOR SURVEY STATION 11+71.35;

THENCE S 89°48'44" E, AT 140.3 FEET CROSSING AN OVERHEAD POWER LINE FOR SURVEY STATION 13+11.9, AT 489.4 FEET CROSSING AN OVERHEAD SOUTHWESTERN PUBLIC SERVICE COMPANY POWER LINE FOR SURVEY STATION 16+61.0, AT 577.6 FEET CROSSING THE CENTER OF AN EXISTING ROAD FOR SURVEY STATION 17+49.2, A TOTAL DISTANCE OF 597.78 FEET TO A POINT FOR SURVEY STATION 17+69.33;

I hereby certify this plat to be correct to the best of my knowledge.

**Laughlin-Simmons**

of Texas  
MIDLAND DISTRICT OFFICE  
(915) 699-1238  
(915) 699-8706  
In State Toll Free:  
1-800-242-3028

P.O. BOX 1757  
MIDLAND, TX 79702



By: WILLIAM E. MAHNKE II, PLS # 8466

THENCE S 2°49'59" E, 315.64 FEET TO A POINT FOR SURVEY STATION 20+84.97;  
THENCE S 4°11'45" E, 390.17 FEET TO A POINT FOR SURVEY STATION 24+75.14;  
THENCE S 3°05'31" W, 618.99 FEET TO A POINT FOR SURVEY STATION 30+94.13;  
THENCE S 1°24'24" E, 381.60 FEET TO A POINT FOR SURVEY STATION 34+75.73;  
THENCE S 2°08'26" E, 826.60 FEET TO A POINT FOR SURVEY STATION 43+02.33;  
THENCE S 2°36'15" E, AT 67.2 FEET CROSSING THE CENTER OF AN EXISTING ROAD FOR SURVEY STATION 43+69.5, AT 108.0 FEET CROSSING AN OVERHEAD POWER LINE FOR SURVEY STATION 44+10.3, A TOTAL DISTANCE OF 187.51 FEET TO A POINT FOR SURVEY STATION 44+89.84;  
THENCE S 1°59'11" E, AT 1196.9 FEET CROSSING AN OVERHEAD POWER LINE FOR SURVEY STATION 56+86.7, A TOTAL DISTANCE OF 1396.17 FEET TO A POINT FOR SURVEY STATION 58+86.01;  
THENCE S 40°32'18" E, 109.50 FEET TO A POINT FOR SURVEY STATION 59+95.51;  
THENCE S 89°47'01" E, 452.36 FEET TO A POINT FOR SURVEY STATION 64+47.87;  
THENCE N 3°21'07" E, 72.95 FEET TO A POINT FOR SURVEY STATION 65+20.82;  
THENCE N 0°30'04" W, 209.15 FEET TO A POINT FOR SURVEY STATION 67+29.97;  
THENCE S 87°25'57" E, 252.13 FEET TO A POINT FOR SURVEY STATION 69+82.10;  
THENCE S 1°11'07" W, 77.25 FEET TO POINT OF TERMINATION OF THE HEREIN DESCRIBED SURVEY CENTERLINE AT SURVEY STATION 70+59.35, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 23 BEARS S 67°08'07" W, 1136.60 FEET;

SAID EASEMENT BEING 7059.35 FEET OR 427.84 RODS OR 1.34 MILES IN LENGTH, SUCH LENGTH BEING ALLOCATED BY PORTIES AS FOLLOWS:

SE/4 of SW/4 SECTION 14	-	21.32	RODS
NE/4 of NW/4 SECTION 23	-	78.37	RODS
NW/4 of NE/4 SECTION 23	-	37.76	RODS
SW/4 of NE/4 SECTION 23	-	80.19	RODS
NW/4 of SE/4 SECTION 23	-	80.08	RODS
SW/4 of SE/4 SECTION 23	-	130.12	RODS
TOTAL	-	427.84	RODS

MERIDIAN OIL INC.

RED TANK FEDERAL No. 1

PROPOSED FLOWLINE EASEMENT

LEA COUNTY, NEW MEXICO

date: 2-17-94

scale: 1"=1000'



**THE PROPOSED OPERATION IS DESCRIBED IN DETAIL ON THE ATTACHED DIAGRAM.**

**A MAP IS ENCLOSED SHOWING THE LEASE NUMBER AND LOCATION OF ALL WELLS THAT WILL CONTRIBUTE PRODUCTION TO THE PROPOSED COMMINGLING/COMMON STORAGE FACILITY. ALL UNITIZED/COMMUNITIZED AREAS, PRODUCING ZONES/POOLS ARE ALSO CLEARLY ILLUSTRATED.**

**A SCHEMATIC DIAGRAM IS ALSO ATTACHED WHICH CLEARLY IDENTIFIES ALL EQUIPMENT THAT WILL BE UTILIZED.**

**THE STORAGE AND MEASURING FACILITY IS LOCATED AT THE SW4/SE4 OF SEC. 23, T22S, R32E ON LEASE NO NM 81633, LEA COUNTY, NEW MEXICO. THE BLM WILL BE NOTIFIED IF THERE IS ANY FUTURE CHANGE IN THE FACILITY LOCATION.**

**DETAILS OF THE PROPOSED METHOD FOR ALLOCATING PRODUCTION TO CONTRIBUTING SOURCES IS AS FOLLOWS:**

**CHECKERBOARD 23 FEDERAL LEASE**

**ALL OF THE WELLS ON THE CHECKERBOARD 23 FEDERAL LEASE (NM 81633) AT VARIOUS TIMES OF THE MONTH ARE ROUTED TO A TEST VESSEL SITUATED BY THE COMMON STORAGE VESSEL TO BE INDIVIDUALLY TESTED. (WELL TESTS) ALL THE GAS IS METERED.**

**THE RED TANK FEDERAL LEASE (NM 77058) WELLS PRIOR TO GOING OFF LEASE TO THE COMMON STORAGE AND TEST VESSEL WILL BE SENT THRU A SATELLITE FOR ALLOCATION PURPOSES. ALL THE GAS IS ALSO MEASURED.**

**SEE ATTACHED DIAGRAMS.**

**MERIDIAN OWNS 100% OF THE RED TANK FEDERAL LEASE (NM 77058). MERIDIAN OWNS 87.6% OF THE CHECKERBOARD 23 LEASE (NM 81633). THE WORKING INTEREST OWNERS HAVE BEEN NOTIFIED AND HAVE NO OBJECTION TO THIS ARRANGEMENT.**

**THE PROPOSED COMMINGLING OF PRODUCTION IS IN THE INTEREST OF CONSERVATION AND WILL NOT RESULT IN REDUCED ROYALTY OR IMPROPER MEASUREMENT OF PRODUCTION.**

**THE PROPOSED COMMINGLING IS NECESSARY FOR CONTINUED OPERATION OF THE ABOVE REFERENCED FEDERAL LEASE.**

**APPLICATION FOR SURFACE COMMINGLING, OFF LEASE STORAGE, AND  
MEASUREMENT APPROVAL FOR TWO POOLS ON TWO LEASES.**

**TO: BUREAU OF LAND MANAGEMENT  
P.O. BOX 1778  
CARLSBAD, NEW MEXICO 88221-1778**

**MERIDIAN OIL INC. IS REQUESTING APPROVAL FOR SURFACE COMMINGLING, OFF  
LEASE STORAGE, AND MEASUREMENT OF HYDROCARBON PRODUCTION FROM THE  
WEST RED TANK DELAWARE POOL AND THE RED TANK BONE SPRING POOL ON  
LEASE NO. NM 81633; CHECKERBOARD 23 FEDERAL LEASE IN LEA COUNTY, NEW  
MEXICO, AND LEASE NO. NM 77058; RED TANK FEDERAL LEASE IN LEA COUNTY, NM**

**CHECKERBOARD 23 FEDERAL LEASE**

**NM 81633**

**WELL**

<b><u>NO.</u></b>	<b><u>LOC.</u></b>	<b><u>SEC.</u></b>	<b><u>TWP.</u></b>	<b><u>RNG.</u></b>	<b><u>FORMATION</u></b>
1	J	23	22S	32E	DELAWARE
2	O	23	22S	32E	BONE SPRING
3	F	23	22S	32E	DELAWARE
4	C	23	22S	32E	DELAWARE
5	L	23	22S	32E	DELAWARE
6	M	23	22S	32E	DELAWARE

**RED TANK FEDERAL LEASE**

**NM 77058**

1	N	14	22S	32E	DELAWARE
3 (Proposed)	P	14	22S	32E	DELAWARE
4 (Proposed)	J	14	22S	32E	DELAWARE

**PRODUCTION FROM THE WELLS INVOLVED IS AS FOLLOWS:**

<b><u>WELL NAME AND NO.</u></b>	<b><u>BOPD</u></b>	<b><u>OIL GRAVITY</u></b>	<b><u>MCFPD</u></b>
CHECKERBOARD 23 FED # 1	107	39.1	115
CHECKERBOARD 23 FED # 2	40	41.0	74
CHECKERBOARD 23 FED # 3	120	39.1	150
CHECKERBOARD 23 FED # 4	280	39.1	200
CHECKERBOARD 23 FED # 5	130	45.0	190
CHECKERBOARD 23 FED # 6 (PRO)	100	39.1	190
RED TANK FEDERAL # 1 (PRO)	100	39.1	190
RED TANK FEDERAL # 3 (PRO)	100	39.1	190
RED TANK FEDERAL # 4 (PRO)	100	39.1	190



**WE UNDERSTAND THAT THE REQUESTED APPROVAL WILL NOT CONSTITUTE THE GRANTING OF ANY RIGHT OF WAY OR CONSTRUCTION RIGHTS NOT GRANTED BY THE LEASE INSTRUMENT. AND, WE WILL SUBMIT WITHIN 30 DAYS AN APPLICATION FOR RIGHT OF WAY APPROVAL TO THE BLM'S REALTY SECTION IN YOUR OFFICE IF WE HAVE NOT ALREADY DONE SO.**

**SIGNATURE:** LOW  
**NAME:** \_\_\_\_\_  
**TITLE:** \_\_\_\_\_  
**DATE:** \_\_\_\_\_