

# MERIDIAN OIL

April 10, 1989  
DDC-89-01

Jerry Sexton  
District Manager  
New Mexico Oil Conservation Commission District Office  
Hobbs, NM 88240

**RE: MERIDIAN OIL WOLFCAMP AND BONE SPRINGS PRODUCTION COMMINGLING REQUEST  
STATE OF NEW MEXICO LEASE - LG4087**

Dear Mr. Sexton:

Meridian is seeking the Commission's approval to commingle wolfcamp and bone springs production from our State 16 lease, where we hold a working interest of 100% and net revenue interest of 81.25%. Production from our existing State 16-#1 and 16-#2 (wolfcamp) wells is handled in common facilities at the 16-#1 location. The State 16-#3 (bone springs) has been recently drilled and has no permanent surface facilities to handle the production. Construction of a new tank battery can be avoided by routing the 16-#3's production to the existing facilities at the 16-#1 location and significantly reduce our costs.

We propose to lay a single line and run the full 16-#1 wellstream to a three-phase separator at the 16-#3 location. From the separator the streams will be metered with an orifice meter for gas, a turbine meter for water, and a turbine meter for oil. Dump valves will be utilized on the fluid streams to improve measuring accuracy. The oil and water stream will then be recombined and commingled with the 16-#1 and 16-#2 production at the heater treater inlet. We plan to install a LACT unit at the 16-#1 location after lease electrification later this year.

Production volumes are as follows:

	<u>State 16-#1</u>	<u>State 16-#2</u>	<u>State 16-#3</u>
Oil, bpd	180	71	275
Water, bpd	6	20	20
Gas, mcf/d	180	180	275

Attached for your information is a plot of the lease and a sketch of the State 16 facilities and proposed modifications. Please contact David Cook, at (915)686-5663, if you need more information.

Sincerely,



Dave E. Myers  
Production Superintendent

## Attachment

Meridian Oil Inc., 21 Desta Drive, Midland, Texas 79705, Telephone 915-686-5600  
DDC/eja



