

MERIDIAN OIL

March 22, 1991

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

RE: SOUTHLAND ROYALTY COMPANY
REQUEST TO AMEND COMMINGLE PERMIT PC-771
HUBER "17" FEDERAL LEASE
NM-26692

Dear Mr. Catanach:

Commingle Permit PC-771 authorizes the surface commingling of Wolfcamp production from our Huber "17" Federal No. 2 and Delaware production from our Huber "17" Federal No. 4. Well No. 4 was subsequently completed in the Bone Spring instead of the Delaware. We, therefore, request that PC-771 be amended to authorize the surface commingling of Wolfcamp production from Well No. 2 with Bone Spring production from Well No. 4.

The attached chart indicates a slight gain of \$0.076 per day. By continuing the commingling at this battery, the cost to construct and operate a separate battery can be avoided.

Also, attached for your use is a plat depicting the location of both Well No. 4 and the battery at Well No. 2 and a site facility diagram for the battery.

By copy of this letter, I am requesting the BLM personnel in Carlsbad to review this and, if they concur, to so advise you.

If other information is needed, please contact me at (915) 686-5678.

Sincerely,



Robert L. Bradshaw
Sr. Staff Env/Reg Spec.

RLB/bn

cc: Well File
D. McBee
OCD - Hobbs
BLM - Carlsbad

Meridian Oil Inc.
 Commingle Permit

	<u>Huber "17" Fed. #2</u>	<u>Commingled</u>	<u>Huber "17" Fed. #4</u>
API Gravity	41.2	40.7	40.0
Volume, B.O. /Day	16	26	10
Value*, \$/bbl	\$19.34	\$19.336	\$19.322
Value, \$/day	\$309.44	\$502.736	\$193.22
Combined Value, \$/day	\$502.66		
Commingled, \$/day	\$502.736		
Gain (Loss), if Commingled	\$ 0.076		

* Weighted Avg. Price for Feb., 1991. \$0.02 per bbl price deduct for every degree below 40.9° API gravity.

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

State of New Mexico
Geology, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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	MERIDIAN OIL INC.				Lease	HUBER "17" FEDERAL		Well No.	4
Oil Letter	Section	Township	Range	County					
2	17	8-SOUTH	33-EAST	NMPM	LEA				
Actual Footage Location of Well:									
660		feet from the SOUTH line and		1980		feet from the EAST line		Dedicated Acreage:	
Ground level Elev.		Producing Formation		Pool		Acres			
3854'		South Corbin							

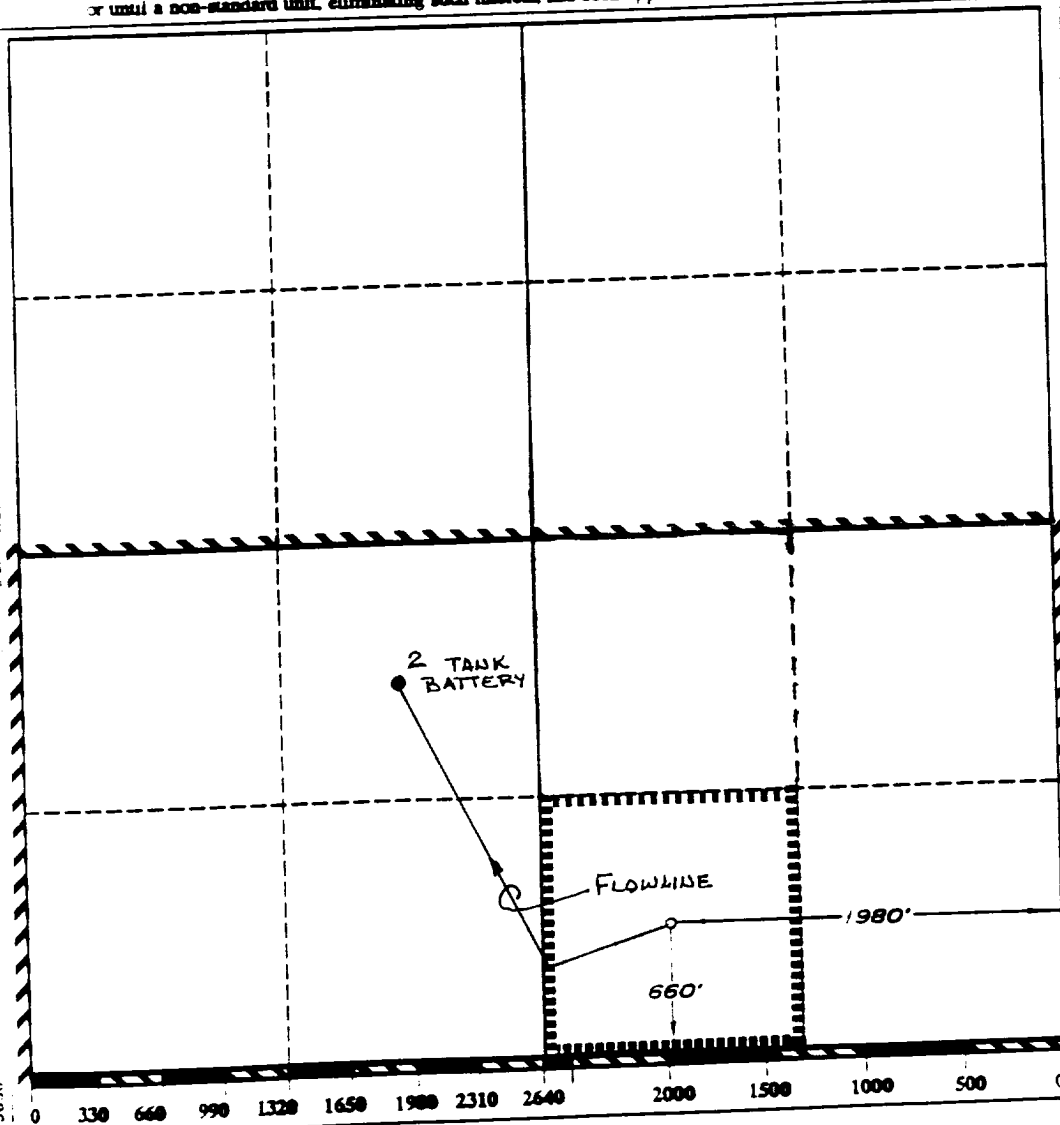
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. 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

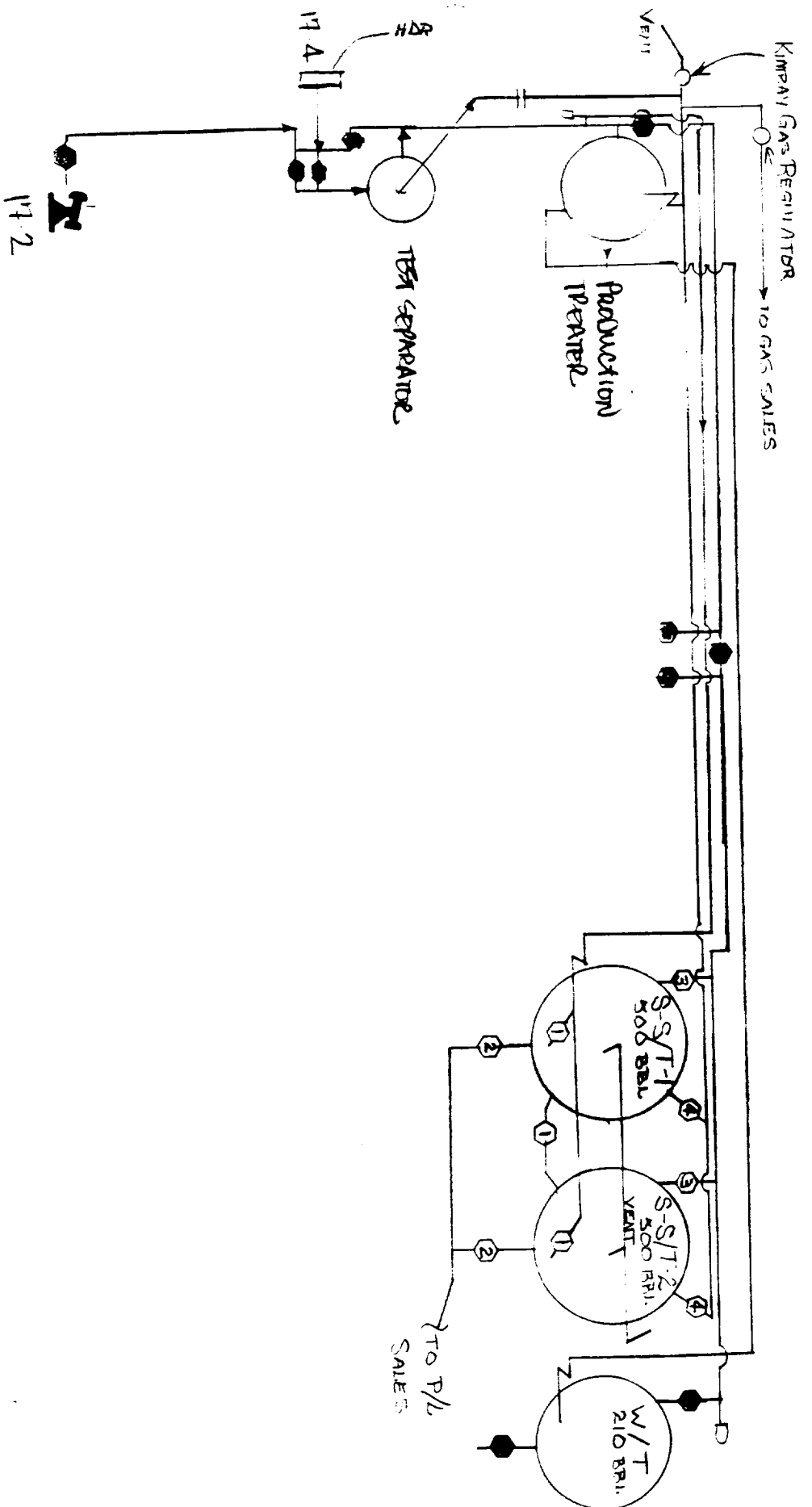
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature Robert L. Bradshaw
Printed Name Robert L. Bradshaw
Position Sr. Staff Env./Reg. Spec.
Company Meridian Oil Inc.
Date 21 MARCH 1991

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 DECEMBER 14, 1989
Signature of Professional Surveyor V. LYNN BEZNER
NO. 7920
Certificate No. 1920



17.4
 17.2

Southland Royalty Company

MIDLAND, TEXAS

SITE SECURITY DIAGRAM

Huber "17" Federal No. 2
 NE/4 SW/4 Sec. 17, T18S, R33E
 Lea County, New Mexico

09/25/87

By: R. L. Bradshaw
 Not to Scale