

MERIDIAN OIL

June 22, 1992

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

*OK David Catanach
7-2-92
I-782
amended.*

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

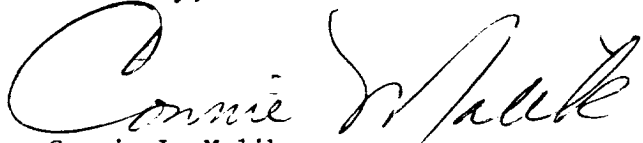
Dear Mr. Catanach:

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

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	State 16 Lease <u>Current Commingle</u>	Corbin St. #2 <u>Proposed Add</u>	Proposed <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)

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

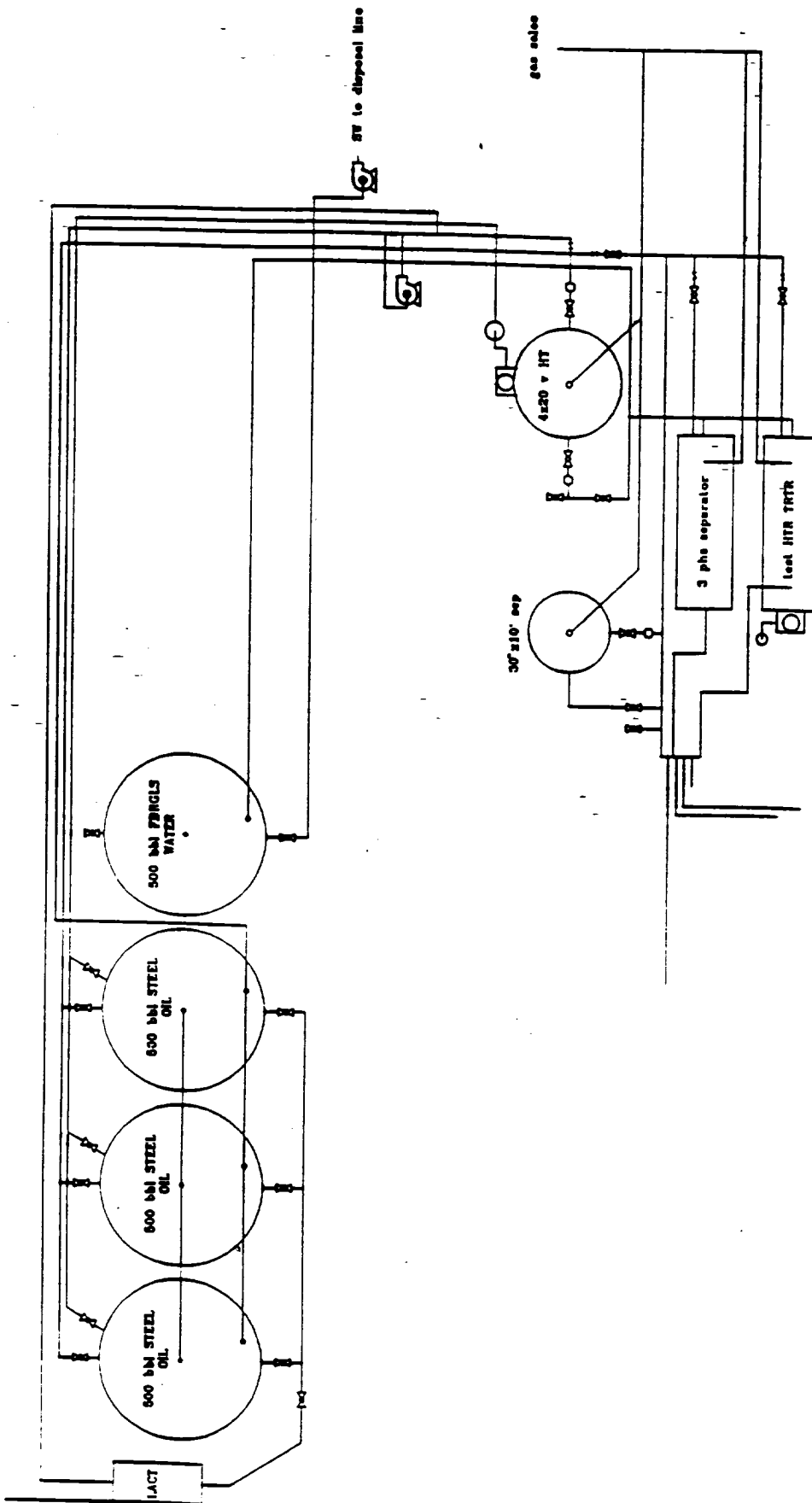
Lease Files
Land Dept.
D. McBee
Brett Adams
Reading File
Regulatory File

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

Sales



MOI STATE 16 BATTERY

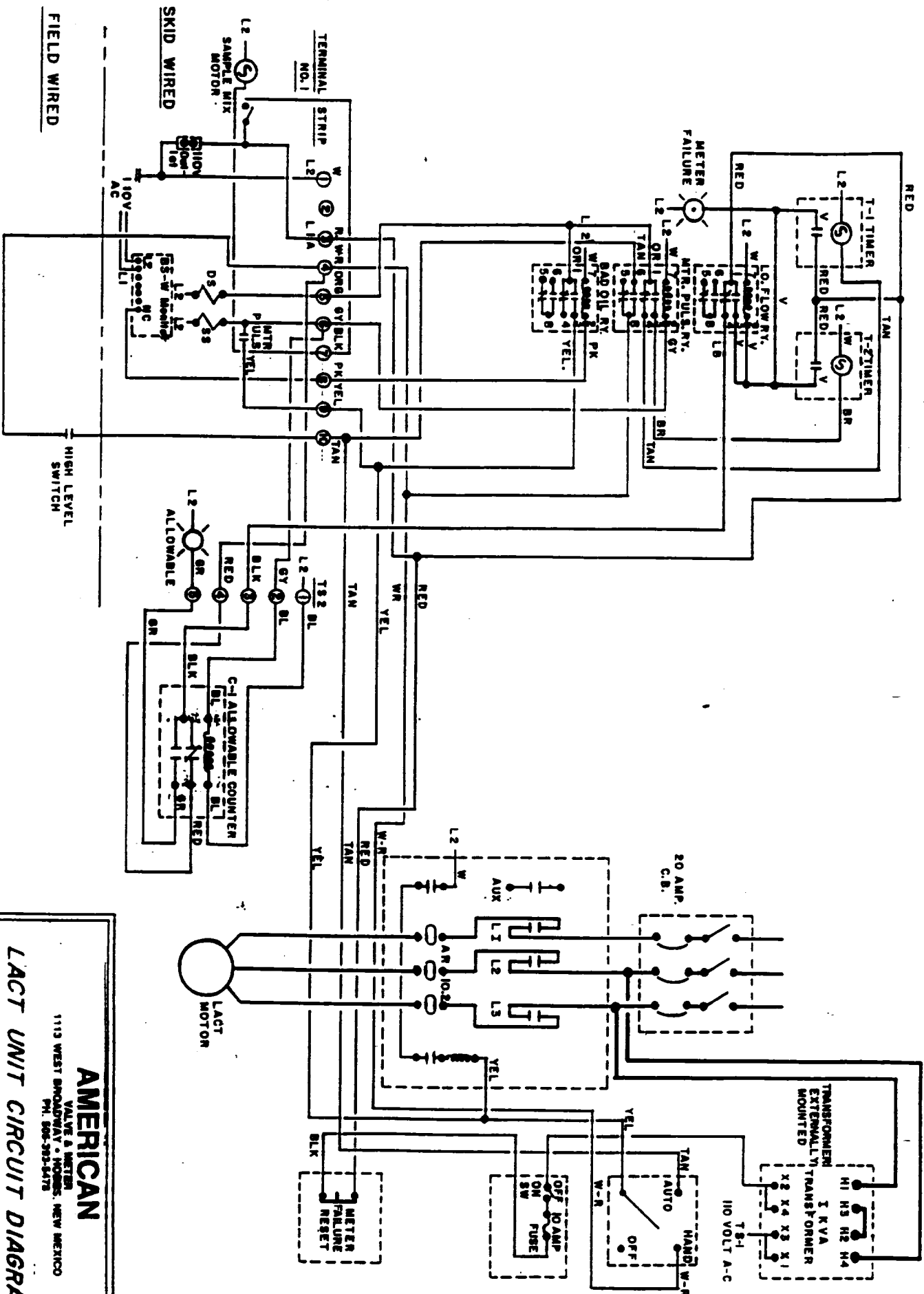
Unit J Sec.16 T-18-S R-33-E
Lea County, New Mexico

REVISIONS

MEDIAN OIL INC
MILWAUKEE, WISCONSIN

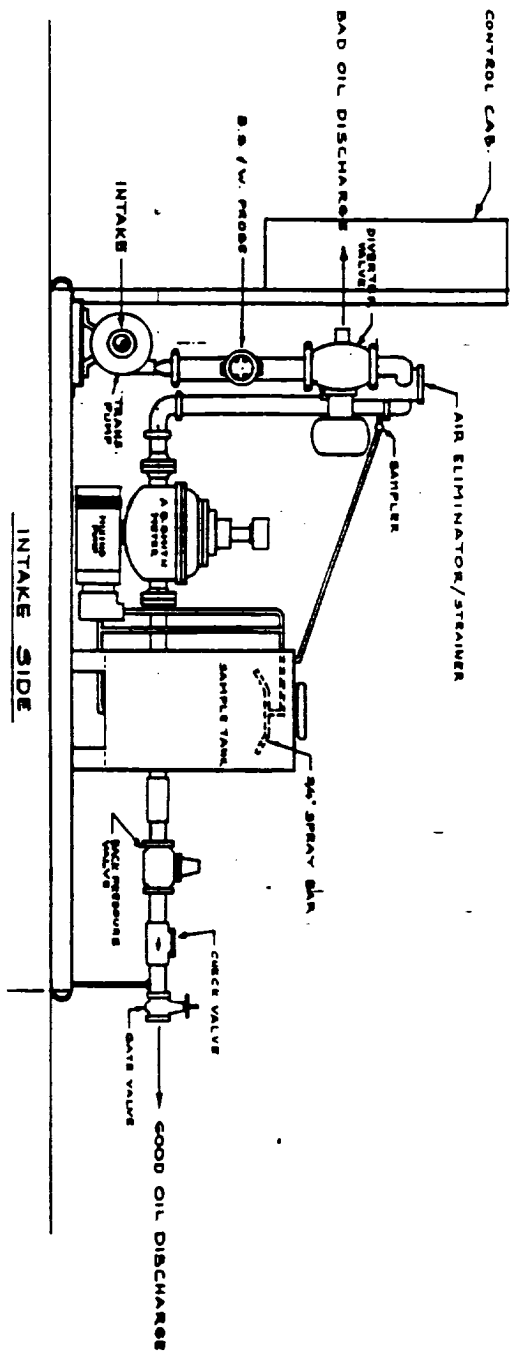
drawing by Brett Adams
February 4, 1993

- # 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

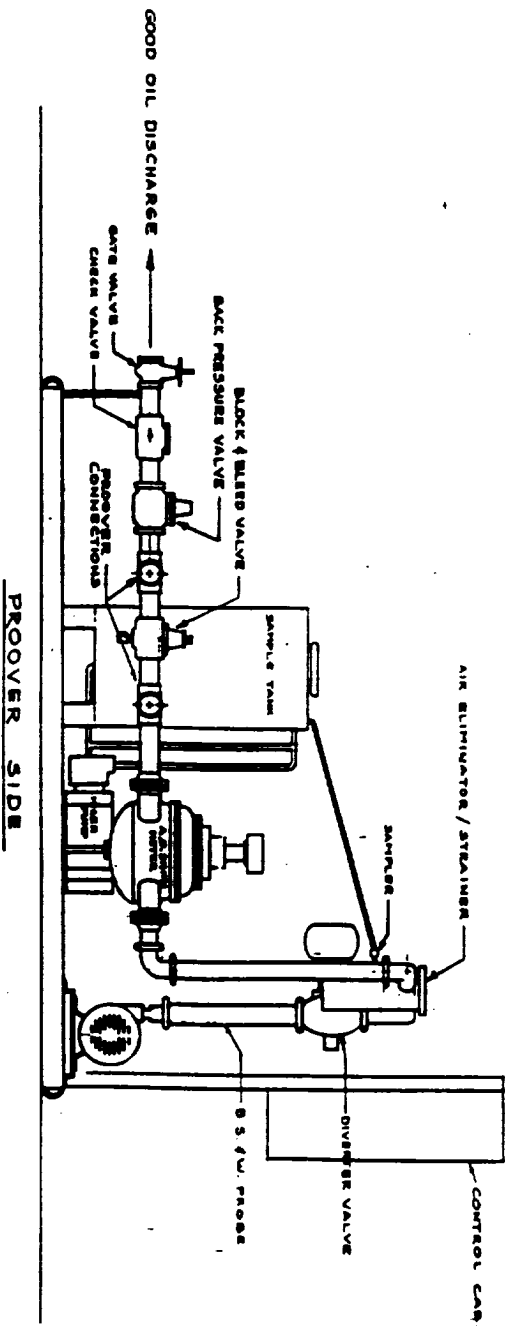


AMERICAN
VALVE & METER
1113 WEST BROADWAY - NOBLES, NEW MEXICO
PH. 506-383-5478

LACT UNIT CIRCUIT DIAGRAM



NOTE:
D.S. & W. MONITOR TO BE
MOUNTED OFF SKID.



PREPARED BY:
WESTERN DESIGN & DRAFTING CO.,
1705 S. ALAMO AVE.,
HOUSTON, NEW MEXICO 78240
(800) 343-8100

AIDD CERTIFIED
JAN. 10, 84
DUE NO. 8-103

LACTO UNIT

AMERICAN

VALVE & METER
1113 WEST BROADWAY • HOUSTON, NEW MEXICO
PH. 504-390-8478

Flowlines

