



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 18, 1992

Meridian Oil
P. O. Box 51810
Midland, Texas 79710-1810

Attn: Ms. Connie L. Malic

Re: Request to Amend Commingling Order 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, T-18S, R-33E,
Lea County, New Mexico

Dear Ms. Malic:

This office is in receipt of your letter of June 9, 1992, together with your application relating to your request to amend OCD Commingling Order PLC-89. Your request seeks our approval to add the Corbin State Well No. 2 to the existing State "16" battery.

Our letter of April 13, 1992 approved your previous application to surface commingle the production from the West Corbin Delaware, South Corbin Wolfcamp and South Corbin Bone Spring Pools for the State "16" and Percha 15 State Leases in a common tank battery located on the State "16" lease in Unit Letter J.

We have derived the following information from your application:

1. The Corbin State Well No. 2-H, located on Lease No. LH-1840, Sec. 16-18S-33E, is in the process of being completed in the South Corbin Wolfcamp pool.
2. Meridian owns 100% working interest on the three State leases being commingled.
3. Production from the above mentioned wells will be commingled into the State "16" Battery located in J, Sec. 16-18S-33E, Lease No. LG-4087.
4. Meridian plans to test each well one time each month through a metered "test" heater treater at the State 16 Battery.
5. There will be 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 will increase the value of the oil sold from the battery.