

EXHIBIT 8

MERIDIAN OIL

To: Tom Kellahin

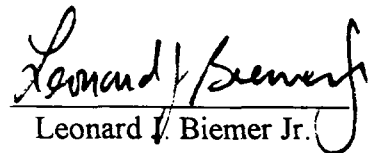
January 18, 1995

From: Leonard J. Biemer Jr.

Re: NMOCD Case #11192
Murphy A Com #1
NW/SW Section 2, T-29-N, R-11-W
San Juan County, New Mexico

The Murphy A Com #1 has an estimated remaining reserves of 187,175 Mcf in the Pictured Cliffs formation. The Pictured Cliffs reserves can not be economically recovered with a dual completion because of the additional cost associated with this type of completion. The following are a few of the additional costs; 1) a second string of tubing, 2) a packer, 3) a dual wellhead, 4) an additional separator, 5) an additional meter run, 6) additional pipeline, 7) labor to install the field facilities and 8) rig time to do the work. By Meridian incurring these additional costs to dual complete the well, the Murphy A Com #1 will drop out as an economicly viable project.

If you have any questions, please call me at 505-326-9703. Thank You.


Leonard J. Biemer Jr.

MURPHY A COM #1
NW/SW 2-29N-11W
MONTHLY GAS PRODUCTION ALLOCATION FORMULA

GENERAL EQUATION

$$Q_t = Q_{ftc} + Q_{pc}$$

WHERE: Q_t = Total Monthly Production (Mcf / Month)
 Q_{ftc} = Fruitland Coal (ftc) Monthly Production (Mcf / Month)
 Q_{pc} = Pictured Cliffs (pc) Monthly Production (Mcf / Month)

Rearranging the Equation to Solve for Q_{ftc} :

$$Q_{ftc} = Q_t - Q_{pc}$$

Any Production Rate Over What is Calculated for the Pictured Cliffs (Q_{pc}), Using the Applied Formula is Fruitland Coal Production (Q_{ftc}).

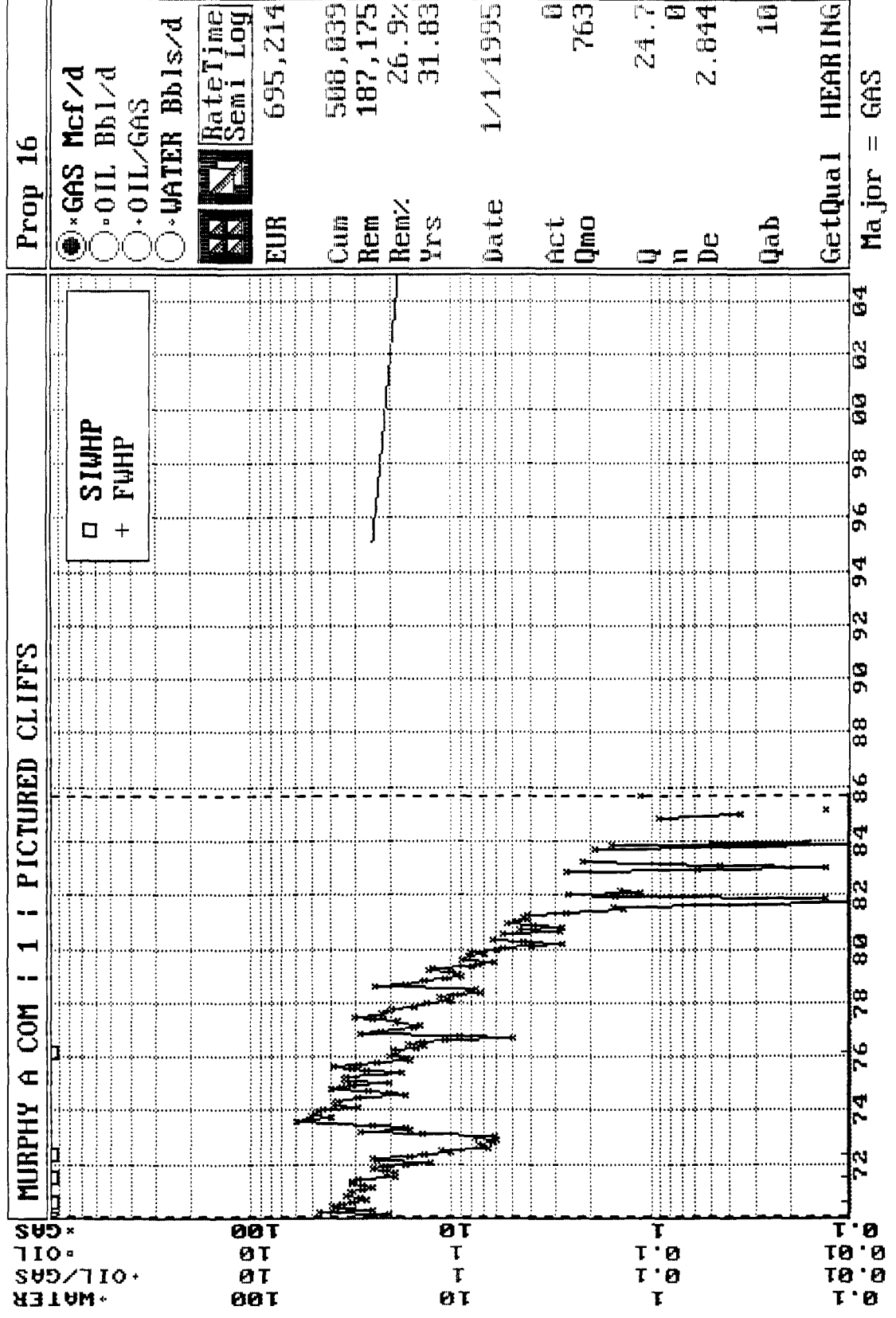
The Pictured Cliffs (Q_{pc}) Formation Production Formula is:

$$Q_{pc} = Q_{pci} \times e^{\{-(D_{pc}) \times (t)\}}$$

WHERE: Q_{pci} = Pictured Cliffs Initial Monthly Rate = 763 Mcf/M (Determined from the attached decline curve)
 D_{pc} = Pictured Cliffs Monthly Decline Rate Calculated from Decline Curve and Material Balance Analysis:
 $D_{pc} = (0.0024/M)$

THUS: $Q_{ftc} = Q_t - Q_{pci} \times e^{\{-(0.0024) \times (t)\}}$

NOTE: (t) is in Months



Major = GAS