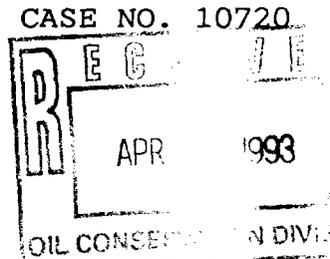


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF MERIDIAN OIL INC.
TO AMEND DIVISION ORDER R-9702,
SAN JUAN COUNTY, NEW MEXICO.



PRE-HEARING STATEMENT

This pre-hearing statement is submitted by as required
by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

MERIDIAN OIL INC.
P. O. Box 4289
Farmington, N.M. 87499
Attn: Alan Alexander
(505) 326-9757

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

APPLICANT:

Meridian Oil Inc. seeks to amend Order R-9702 in order
to change the commencement point of its previously approved
Black Diamond "20" Well No 1 so that it will now commence at
an unorthodox surface location 120 feet FNL and 120 feet FWL
of Section 20, T30N, R15W.

Pre-Hearing Statement
Case No. 10720
Page 2

The proposed project area remains the W/2 of said Section 20.

The amendment is requested in order to reduce the distance from the wellhead to the closest pipeline and yet not interfere with the power plant.

The project is adjacent to and in close proximity with the PNM Four Corners' Power Plant and its facilities.

PROPOSED EVIDENCE

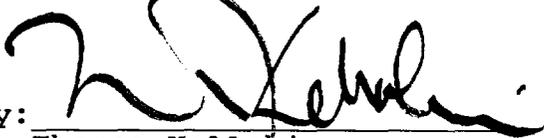
APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Alan Alexander (landman)	20 min.	4

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285