

MERIDIAN OIL, INC.

CASE 9422

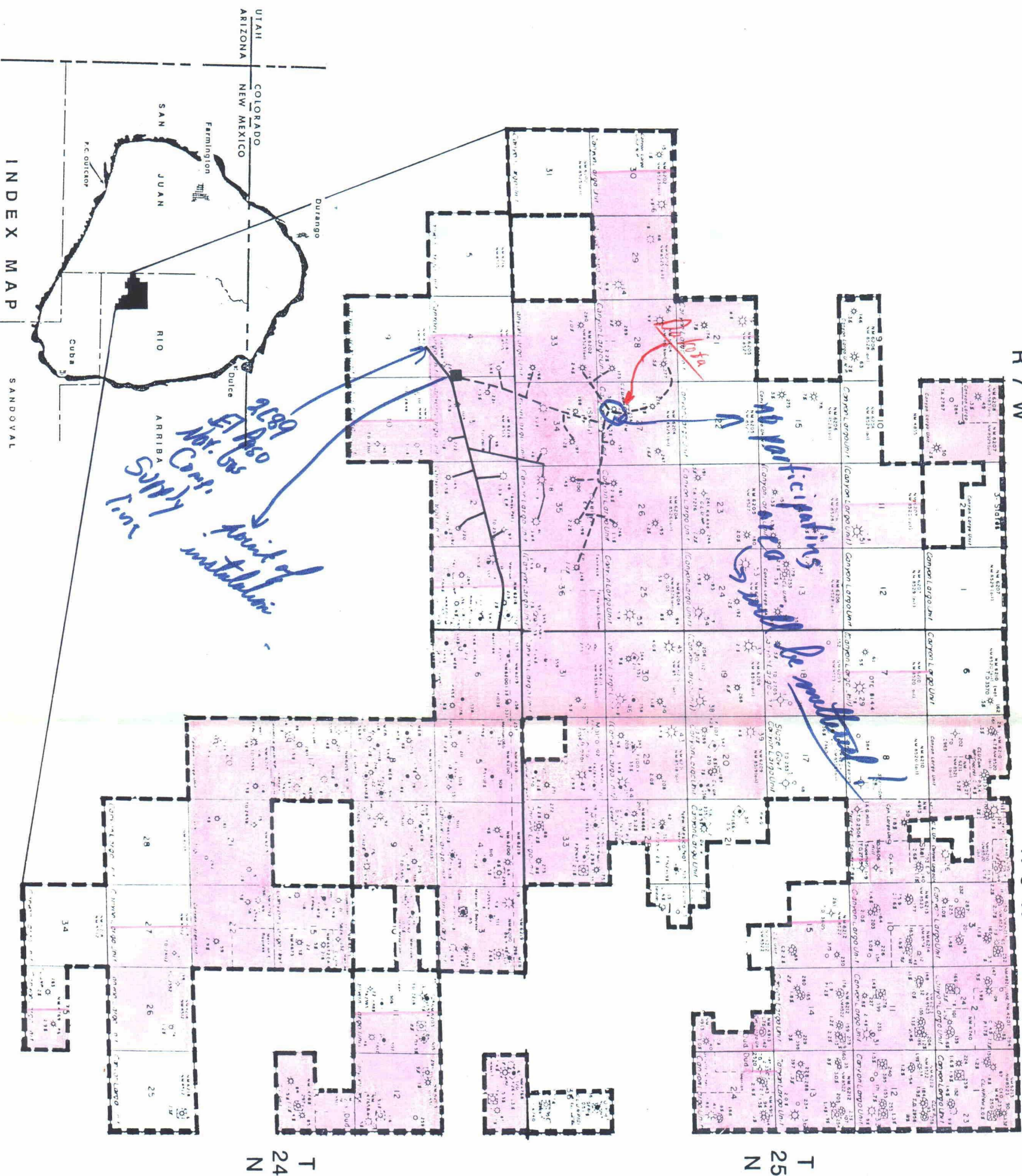
AUGUST 3, 1988

R 7 W

R 6 W

T 25 N

T 24 N



CASE NO. 9422
EXHIBIT NO. 1

EXISTING LINE
PROPOSED LINE PURCHASE

PICTURED CLIFFS
PARTICIPATING AREA OF vld
Unit.

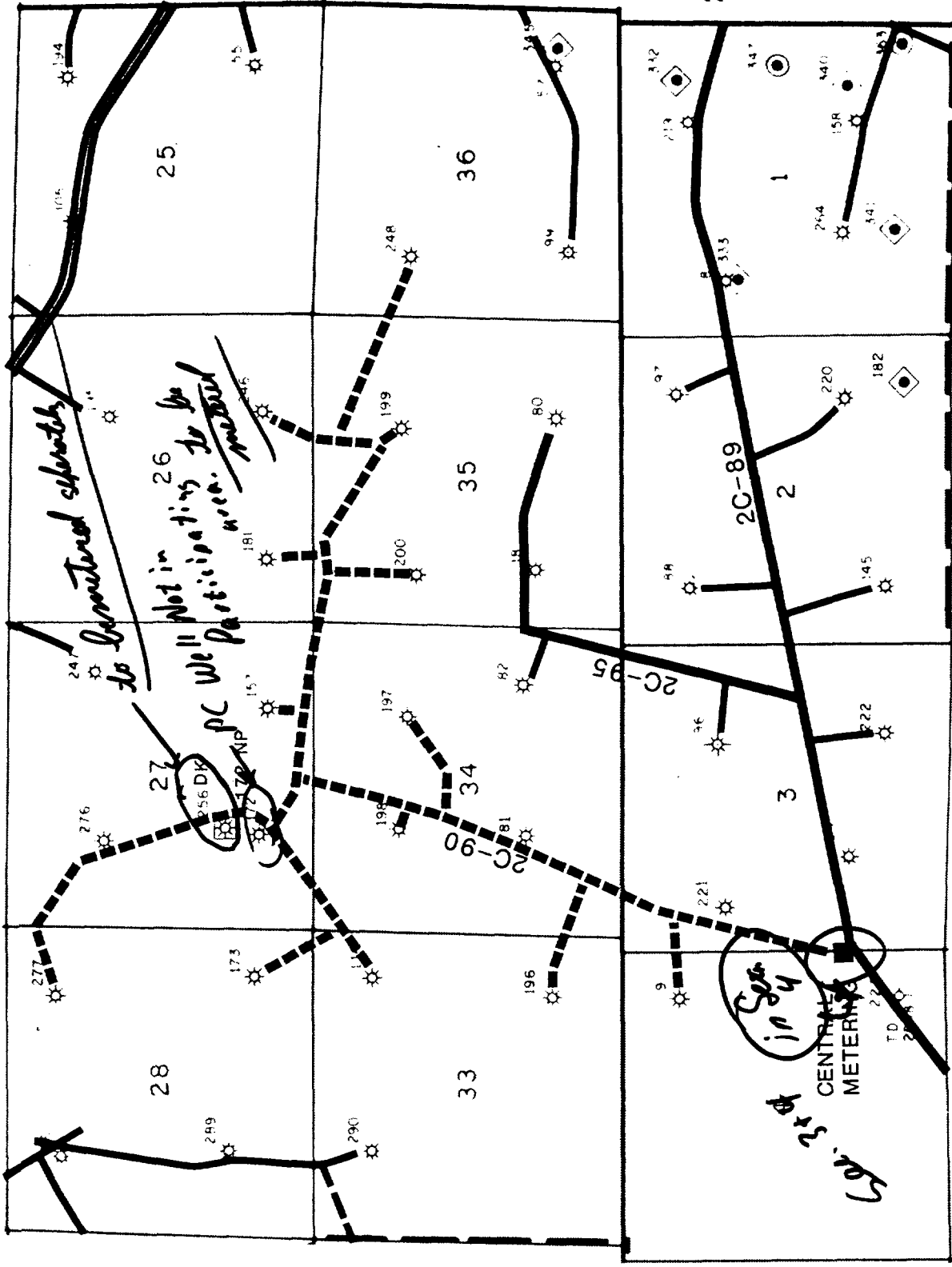
MERIDIAN OIL

CANYON LARGO UNIT
Rio Arriba Co., New Mexico
V. Goebel 7/28/88

R 7 W

T 25 N

T 24 N



MERIDIAN OIL

CANYON LARGO UNIT
Rio Arriba Co., New Mexico
J. Evans
7/88 r.c.
CASE NO. 9422
EXHIBIT NO. 2

EXISTING LINE

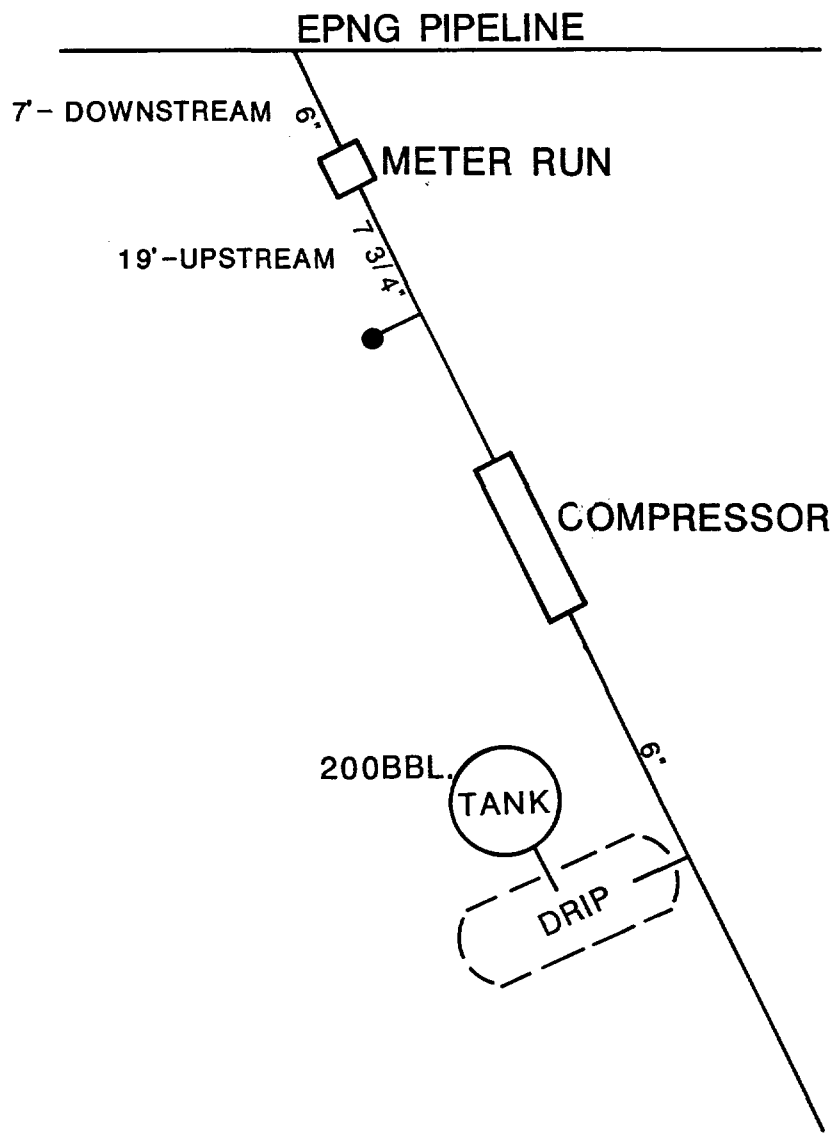
PROPOSED LINE PURCHASE

WELL STATUS:

* Pictured Cliffs -- Gas

◇ Gallup -- Oil

▣ Dakota -- Gas



CASE NO. 9422
EXHIBIT NO. 3

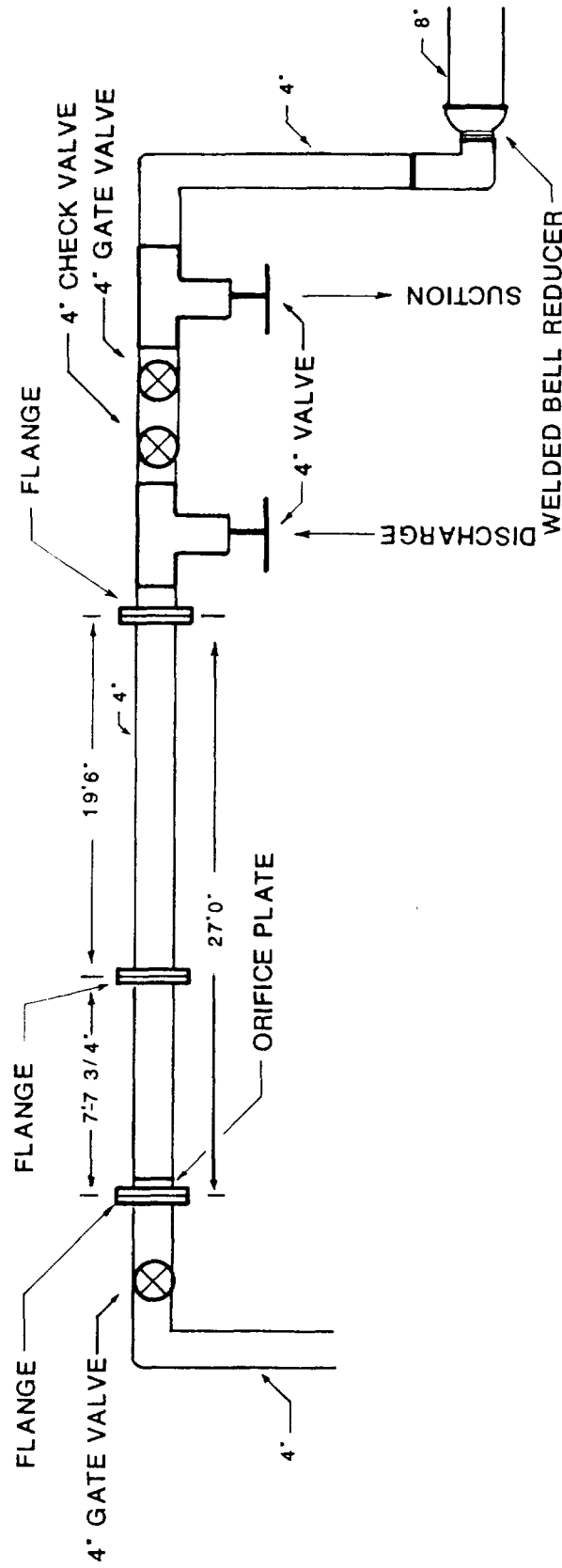
MERIDIAN OIL
TYPICAL
METER RUN &
COMPRESSOR HOOKUP

SAN JUAN BASIN, NEW MEXICO

J. EVANS

june, 1988

r.t.s.



MERIDIAN OIL

TYPICAL METER RUN AND COMPRESSOR HOOKUP

CASE NO. 9422
EXHIBIT NO. 4

r.t.s.

2/88
L. NATION

Allocation Example

Total production at Central Metering Point = 275 MCF/D
Less continuously metered production = 150 MCF/D
Equals allocation volume 125 MCF/D

Allocate 125 MCF/D among participating Pictured Cliffs wells based on yearly deliverability tests!

Participating - Pictured Cliffs Unit

Act. or Del. 125-143 pgs.

	<u>Yearly Deliverability Test (MCF/D)</u>	<u>% Allocation</u>
WELL A	50	40
WELL B	40	32
WELL C	20	16
WELL D	15	12
	<u>125</u>	<u>100</u>

Non - Participating

	<u>Monthly Production - (MCF/D)</u> <u>Conventionally metered</u>
WELL E (Dakota)	90
WELL F (Pic. Cliffs)	30
WELL G (Pic. Cliffs)	30
	<u>150</u>

CASE 9422
EXHIBIT NO. 5

The wells are listed as follows with current production rates.

<u>Well Name</u>	<u>Lease No.</u>	<u>Current YAO</u>	<i>penalty Aug Prod. Rate (MLF/D)</i>
Canyon Largo Unit #9	078922	12	
Canyon Largo Unit #221	078922	17	
Canyon Largo Unit #81	078987	12	
Canyon Largo Unit #197	078987	8	
Canyon Largo Unit #173	078987	52	
Canyon Largo Unit #277	078878	32	
Canyon Largo Unit #248 → E-809-12 ←		14	
Canyon Largo Unit #196	078876	7	
Canyon Largo Unit #198	078986	25	
Canyon Largo Unit #114	078876	24	
Canyon Largo Unit #276	078878	27	
Canyon Largo Unit #181	078878	0	
Canyon Largo Unit #200	078987	0	
Canyon Largo Unit #246	078878	0	
Canyon Largo Unit #157	078878	0	
Canyon Largo Unit #199	078987	0	

Jesse D. Evans
Production Superintendent

JDE/d1

CASE 9422
EXHIBIT NO. 6

MERIDIAN OIL

DATE: 07/05/88

WILLIAM M SIEGENTHALER
PO DRAWER Z
ARTESIA, NM 88210

RE: CANYON LARGO UNIT
PICTURED CLIFFS FORMATION WELLS
RIO ARriba COUNTY, NEW MEXICO

DEAR INTEREST OWNER:

MERIDIAN OIL PLANS TO INSTALL A CENTRAL POINT METERING AND LATERAL COMPRESSION SYSTEM ON THOSE WELLS SUBJECT TO THE PICTURED CLIFFS PARTICIPATING AREA IN THE REFERENCED UNIT. ANY NON-PARTICIPATING AREA WELL OR WELLS COMMUNITIZED WITH NON-UNIT ACREAGE WILL CONTINUE TO HAVE THEIR OWN METER.

CENTRAL POINT METERING WILL ALLOW MERIDIAN, AS OPERATOR, TO MORE EFFICIENTLY PRODUCE THESE WELLS AND THE INSTALLATION OF LATERAL COMPRESSION SHOULD INCREASE THE GAS PRODUCTION FROM THE AFFECTED WELLS. THE COMBINATION OF THE TWO SHOULD INCREASE GAS PRODUCTION BY A SUBSTANTIAL AMOUNT.

THIS PROJECT WILL NOT CHANGE YOUR INTEREST AS AN INTEREST OWNER OTHER THAN POSSIBLY INCREASING GAS PRODUCTION.

MERIDIAN HAS SCHEDULED A HEARING FOR AUGUST 3, 1988 BEFORE THE STATE OF NEW MEXICO OIL CONSERVATION DIVISION TO REQUEST APPROVAL FOR THE ABOVE STATED PROJECT. SHOULD YOU HAVE ANY QUESTIONS PLEASE CONTACT THE UNDERSIGNED OR YOU MAY ATTEND THE AUGUST 3, 1988 HEARING.

YOURS VERY TRULY,

VAN L. GOEBEL
SENIOR LANDMAN
P. O. BOX 4289
FARMINGTON, NEW MEXICO 87499
(505) 326-9700

CASE NO. 9422

EXHIBIT NO. 7

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing Letter to be mailed to each of the parties listed on the attached Mailing List, by Certified Mail--Return Receipt Requested, on this 7th day of July, 1988.

Terry S. Foster

CASE 9422
EXHIBIT NO. 8

CANYON LARGO UNIT WORKING INTEREST OWNERS
PICTURED CLIFFS PARTICIPATING AREA

Amoco Production Company

Ms. Iris V. Balbach

Mr. Tom Bolack & Tommy Bolack,
General Partners, Bolack Minerals Company

Conoco, Inc.

Dugan Production Corporation

El Paso Natural Gas Company

FPCO Oil & Gas Company (formerly Petro Lewis Corp.)

Walter Famariss, Jr. and
Thelma Jackson Famariss

Fina Oil & Chemical Company

The Fort Worth National Bank
GMFG Oil Account No. 3153

Frances T. Golston Trust

Lorna A. Harvey

Edna W. Merrion Trusts No. 1, 2, & 3

Merrion Oil & Gas Corporation

Minel, Inc.

Mrs. Ana Gardner Osborn

PWG Partnership

Tenneco Oil Company

Texaco Producing Inc.

Union Oil Company of California

WG Partnership
Paulene D. Davis & Paulene Marcia Davis McAnally

The Wiser Oil Company

CASE NO. 9422

EXHIBIT NO. 9

CANYON LARGO UNIT
ROYALTY INTEREST OWNERS AND
OVERRIDING ROYALTY INTEREST OWNERS

William M. Siegenthaler
Wesley T. House
Union Oil Co. of California
Thelma J. Famariss
Bolack Minerals Company
The Superior Oil Company
Texaco Producing Inc.
Texon Energy Corporation
Robert Murray Fasken, Trustee
(Andrew Fasken Trust)
Robert L. Bayless
PWG Partnership
Patti Jo Peck Wakefield
Pauline V. Trigg
Naomi Luhm
Mrs. Ana Gardner Osborn
Murray Fasken
Merrion Foundation
Minel, Inc.
Mary Velma Sealy
Martha Nobles Black
Mary Ann Honey
Lorna A. Harvey
Mabel Glenn Ham
Margaret Estelle Blechar
Judy St. John Taylor
James Montague Farley, Executor
(Charles W. Colwill Estate)
Jack B. Wilkinson, Jr.
Interfirst Bank Dallas, PR
(James D. Sadler, Deceased)
H.J. Phillips
George Anne Scharhag, PR
(Estate of Kathlyn H. Gibson)
Frederick Blocksom
Ethel Parnell
Dugan Production Corporation
Cassandra Keyser
Clara Mae Blocksom Smith
Billie M. Trigg
Barron U. Kidd
Ann Home Emerson Trust
A.G. and Margaret H. Hill

Violet Graves Stubbeman
Viola I. Stewart
The Wiser Oil Company
Thomas E. Dupray
Tom Sealy
Teresa Home
Texas American Bank
Robert Murray Fasken
State National Bank of El Paso,
Trustee (Hugh McMillan Trust)
Ralph S. Trigg, Jr.
Partnership Properties Co.
Pauline D. Davis
Nancy T. Conrow
New Mexico State Royalty
Mrs. Anna Lou Home
Merle McMillan
Merrion Oil and Gas Corporation
May Davis Moore
Martha Nobles Black, Executrix
(Estate of Benjamin F. Black)
Linda Payne, Trustee
(Elizabeth White Family Trust)
Maralo, Inc.
Martha Lou Dixon
John Carl Mese & Associates
Jane Manning Pitkin
J.I. Harvey
Inabeth Phillips
Iris V. Balbach
Glenn D. Hughes
Helen L. Hedrick
Hope Blocksom
Fred E. Luhm
Erma Lowe
E. Jean Keyser
Tom Bolack & Tommy Bolack
Charles S. Longcope
Cloa W. Barkley
Betty Jo Blocksom Rapp
Arco Oil & Gas Co.
Anita Harvey Titsworth

CASE NO. 9422

EXHIBIT NO. 70