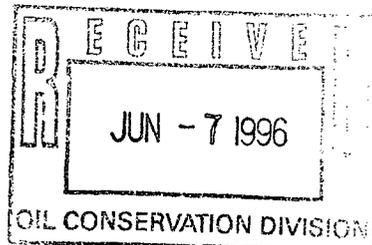


DHC-1246



KOCH EXPLORATION COMPANY

May 29, 1996

Mr. William LeMay
New Mexico Oil Conservation Division
PO Box 2088
Santa Fe, NM 87501

RE: Riddle B #5
SE/4, Section 23, T30N, R10W
San Juan County, New Mexico
Downhole Commingling Request

Dear Mr. LeMay:

Enclosed you will find a signed copy of the above referenced.

Sincerely,

Barbara Jacobs

Barbara Jacobs
Executive Secretary

cc: Meridian Oil

DHC-1246



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

May 6, 1996

IN REPLY REFER TO:
SF-078200-B
3162.7-3 (07327)

Ms. Mary Ellen Lutey
Production Engineer
Meridian Oil
P.O. Box 4289
Farmington, NM 87499-4289

RE: Federal Lease SF-078200-B
Downhole Commingling Application
Gallup and Dakota Formations
No. 5 Riddle "B"
1090' FSL & 1800' FEL
Section 23, T. 30 N., R. 10 W.
San Juan County, New Mexico

Dear Ms. Lutey:

The Farmington District Office (FDO) of the Bureau of Land Management (BLM) has received your letter May 1, 1996, requesting approval for downhole commingling of the Gallup and Dakota formations in the above referenced well.

After review, we hereby approve your application for downhole commingling. Please submit the allocation factors for this well once you have made your determination.

If you have further questions regarding this matter, please contact Brian W. Davis at (505) 599-6367 or (505) 599-8900.

Sincerely,

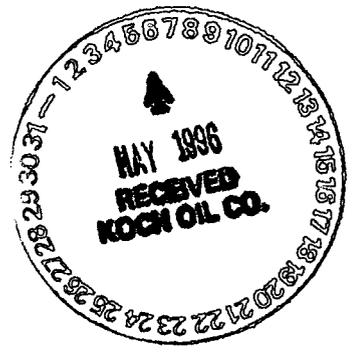
Duane Spencer
Duane W. Spencer
Team Leader, Petroleum Management

bcc:

NMOCD, Santa Fe

AHC-1246

MERIDIAN OIL



March 11, 1996

Koch Industries, Inc.
P.O. Box 2256
Wichita, KS 67201

RE: Riddle B #5
SE/4, Section 23, T30N, R10W
San Juan County, New Mexico
Downhole Commingling Request

Gentlemen:

Meridian Oil Inc. is in the process of applying for a downhole commingling order from the New Mexico Oil Conservation Division (NMOCD) for the referenced well located in San Juan County, New Mexico. The approved application will commingle the Dakota and Gallup fields.

The purpose of this letter is to notify you of Meridian's application. If you have no objections to the NMOCD issuing a commingling order, we would appreciate your signing this letter and returning the original to Mr. LeMay at the following address with a copy to this office:

New Mexico Oil Conservation Division
Mr. William LeMay
P.O. Box 2088
Santa Fe, New Mexico 87501

Your prompt attention to this matter would be appreciated.

Sincerely,

Mary Ellen Lutey
Production Engineer

MEL:mel

The undersigned hereby waives objection to the referenced
Downhole Commingle Request.

Company/Owner:

Lance F. Harmon
Attorney-in-Fact

Title: _____

Date: May 29, 1996