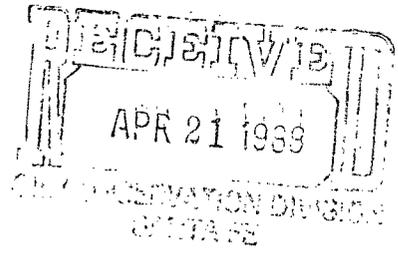


Release Dab.
May 10, 1988

B, DCC

MERIDIAN OIL



NSC-2514
RULE-104F(E)

April 19, 1988

Southland
Royalty Company

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Undesignated Cedar Hill
Fruitland Basal Coal Pool
320 Acres dec.
S/2 Section 18

Dear Mr. LeMay:

This is a request for administrative approval for an unorthodox gas well location in the Cedar Hill Fruitland Basal Coal Pool.

It is intended to locate the Southland Royalty Company's Page #101 at 910' from the South line and 510' from the West line of Section 18, T-32-N, R-10-W, San Juan County, New Mexico.

Unit 101

Extremely rough terrain in the form of steep cliffs makes it impossible to build an orthodox location in the southwest quarter of this section.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Plats showing the proposed well location and the terrain in Section 18, along with an ownership plat, are attached.

Sincerely yours,

Peggy Doak

encl.

WAIVER

_____ hereby waives objection to Southland Royalty's application for an unorthodox location for their Page #101 as proposed above.

By: _____

Date: _____

cc: Tenneco Oil
Mesa Petroleum Co

All distances must be from the outer boundaries of the Section.

Operator MERIDIAN OIL, INC.		Lease PAGE(SF-078215)		Well No. 101
Unit Letter M	Section 18	Township 32-N	Range 10-W	County SAN JUAN
Actual Footage Location of Well: 910 feet from the SOUTH line and 510 feet from the WEST line				
Ground Level Elev. 6187	Producing Formation Fruitland	Pool Cedar Hill Fruitland Basal		Dedicated Acreage 320 Acres

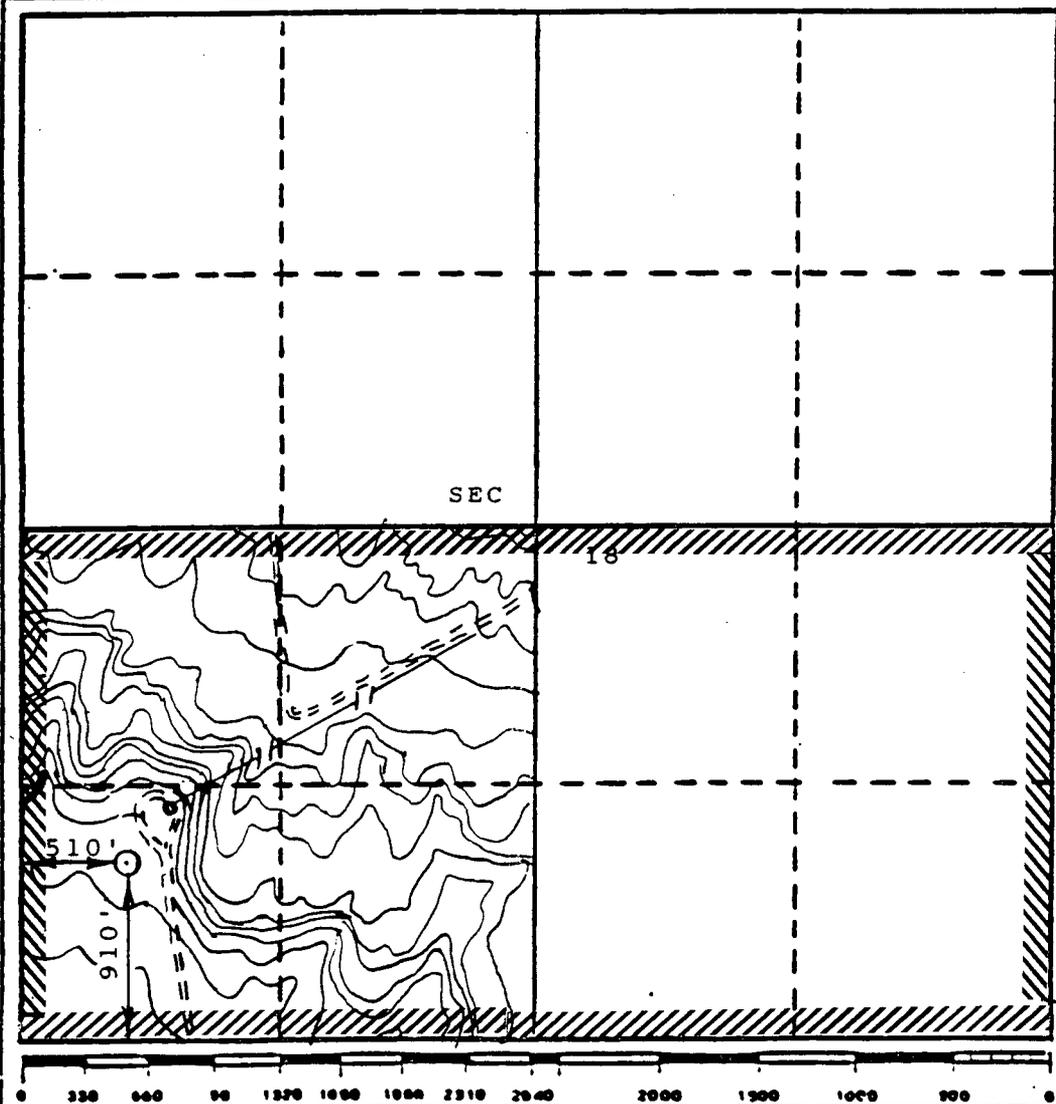
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

Reissued to show moved location.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Drilling Clerk

Position
Meridian Oil Inc.

Company

Date

I hereby certify that the location shown on this plat was a true location notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

MARCH 15, 1988

Date Surveyed
ISAAC L. WEAVER

Registered Professional Engineer and/or Land Surveyor

Certificate No.
8966

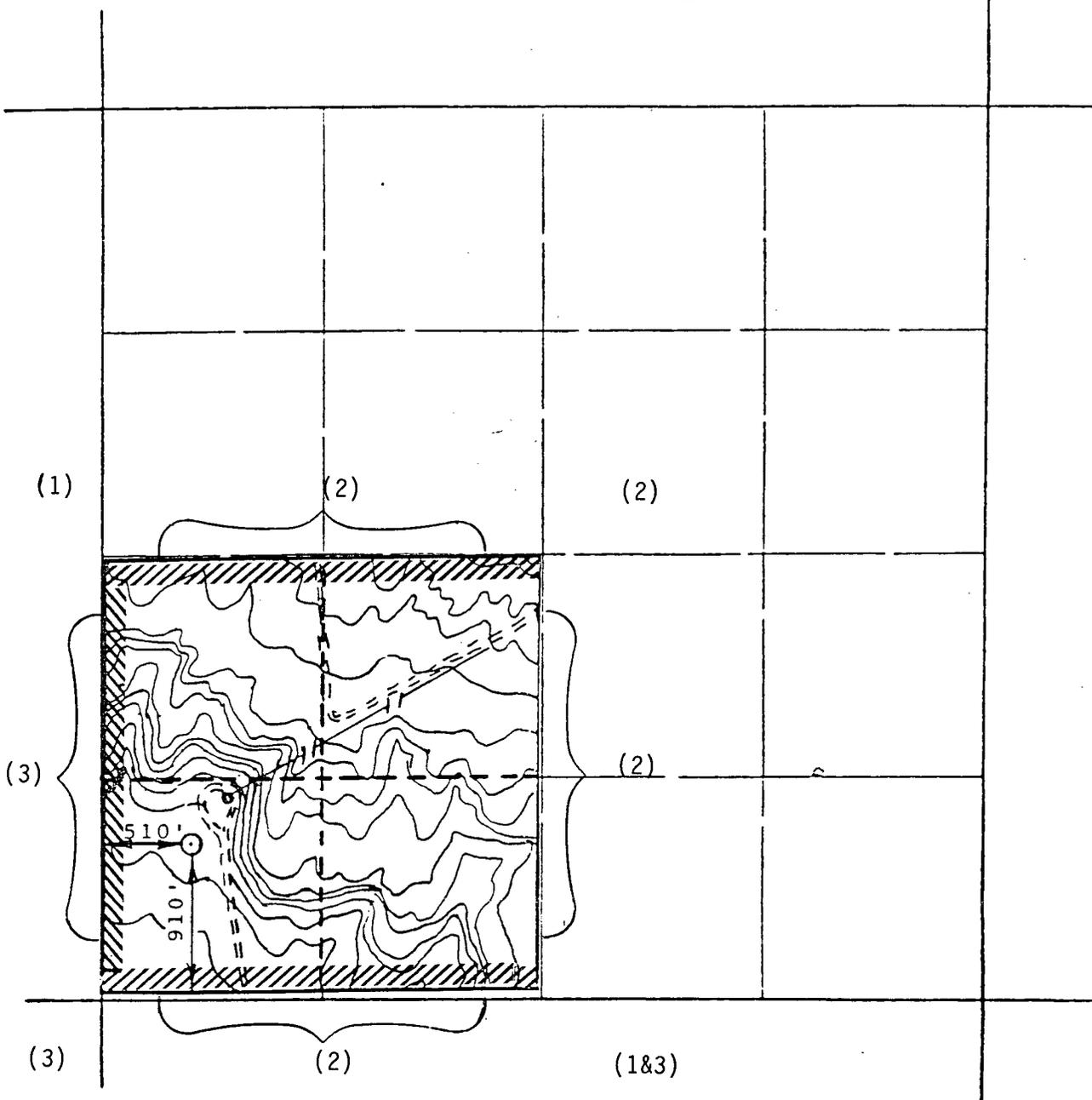
SOUTHLAND ROYALTY CO.

Well Name Page #101, Cedar Hill Fruitland Basal

Footage----- 910' FSL, 510' FWL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 18 Township 32N Range 10W



REMARKS:

OFFSET OPERATORS:

(1) Mesa Petroleum Company

(2) Southland Royalty Company

(3) Tenneco Oil Company

(10)



Map #2

LEGEND OF RIGHT-OF-WAYS

- EXISTING ROADS —————
- EXISTING PIPELINES + + +
- EXISTING ROAD & PIPELINE + + +
- PROPOSED ROADS - - - - -
- PROPOSED PIPELINES - - - - -
- PROPOSED ROAD & PIPELINE - - - - -



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 5-11-88

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL A _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

MAY 16 1988
OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

I have examined the application dated 5-9-88
for the MERIDIAN OIL, INC. Page #101 M-18-32N-10W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

[Signature]