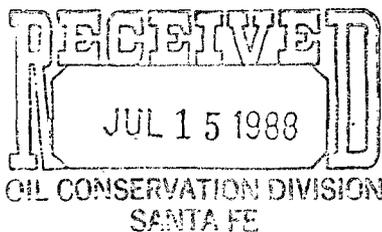


MERIDIAN OIL



July 13, 1988

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

Dear Mr. LeMay:

This is a request for administrative approval for an unorthodox gas well location in the Undesignated Fruitland Pool.

It is intended to locate the Meridian Oil Inc.'s Atlantic #205 at 1040' from the North line and 610' from the East line of Section 22, T-31-N, R-10-W, San Juan County, New Mexico.

Extremely rough terrain in the form of steep cliffs makes it impossible to build an orthodox location in the northeast 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 22, along with an ownership plat, are attached.

Sincerely yours,

A handwritten signature in cursive script that reads "Peggy Doak".

Peggy Doak

encl.

WAIVER

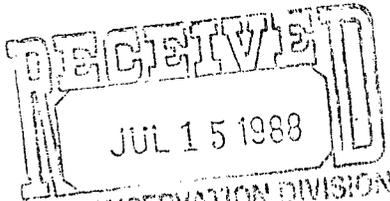
_____ hereby waives objection to Meridian Oil Inc.'s application for an unorthodox location for their Atlantic #205 as proposed above.

By: _____

Date: _____

cc: El Paso Natural Gas Company

MERIDIAN OIL



July 13, 1988

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New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

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Sincerely yours,

Peggy Doak

encl.

WAIVER

EL PASO NATURAL GAS hereby waives objection to Meridian Oil Inc.'s application for an unorthodox location for their Atlantic #205 as proposed above.

By:

Date: 7/13/88

cc: El Paso Natural Gas Company

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 37501

Form C-102
Revised 10-1-78

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

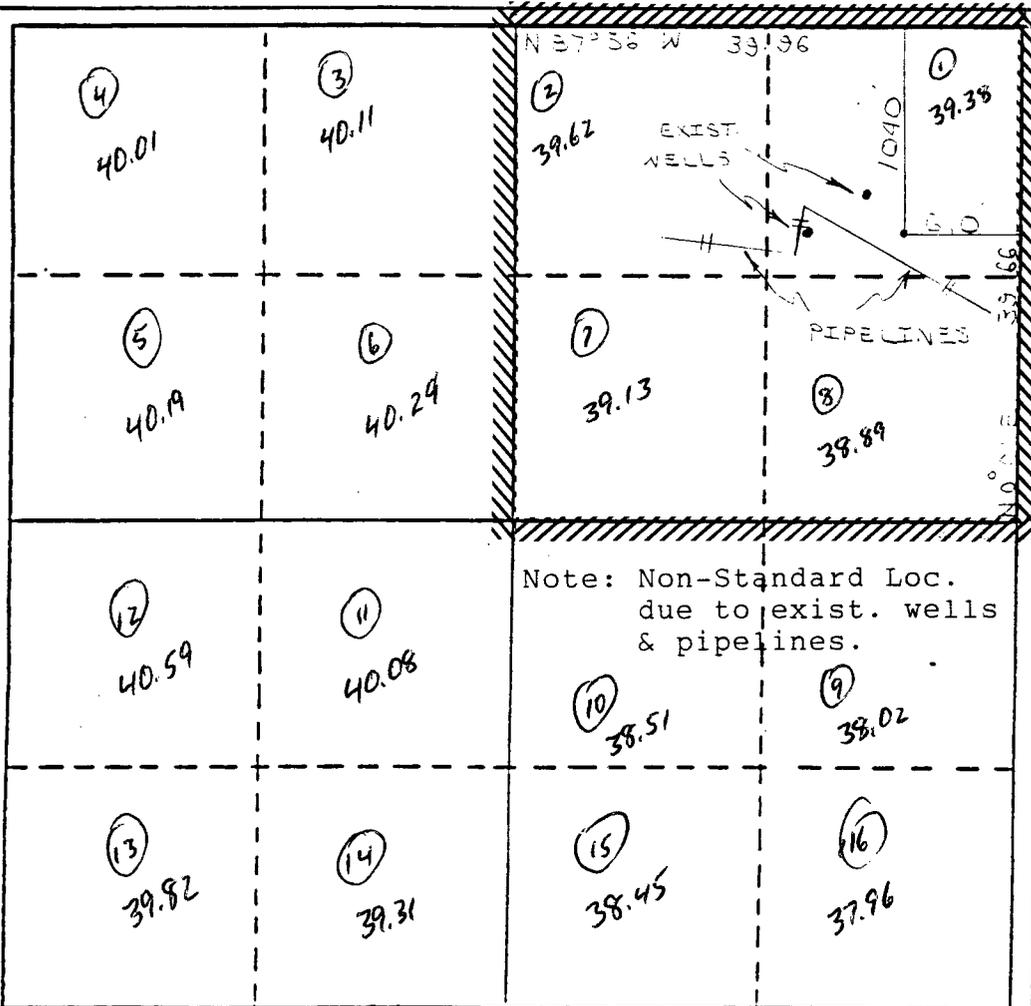
| | | | | |
|---|---------------------------------------|-----------------------------|---------------|-----------------------------|
| Operator Meridian Oil Co. | | Lease Atlantic NM-013688 | | Well No. 205 |
| Unit Letter A | Section 22 | Township T31N | Range R10W | County San Juan County |
| Actual Footage Location of Wells 1040 feet from the North line and 610 feet from the East line | | | | |
| Ground Level Elev. 6303 | Producing Formation Fruitland Coal | Pool Undesignated | | Dedicated Acreage: 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.

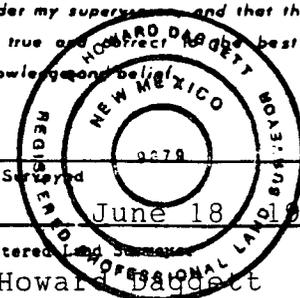


CERTIFICATION

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 well location shown on this plat was plotted from field 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.



Date Surveyed
June 18 1988
Registered Land Surveyor
R. Howard Dagggett
Registered Professional
Land Surveyor

Certificate No.
9679

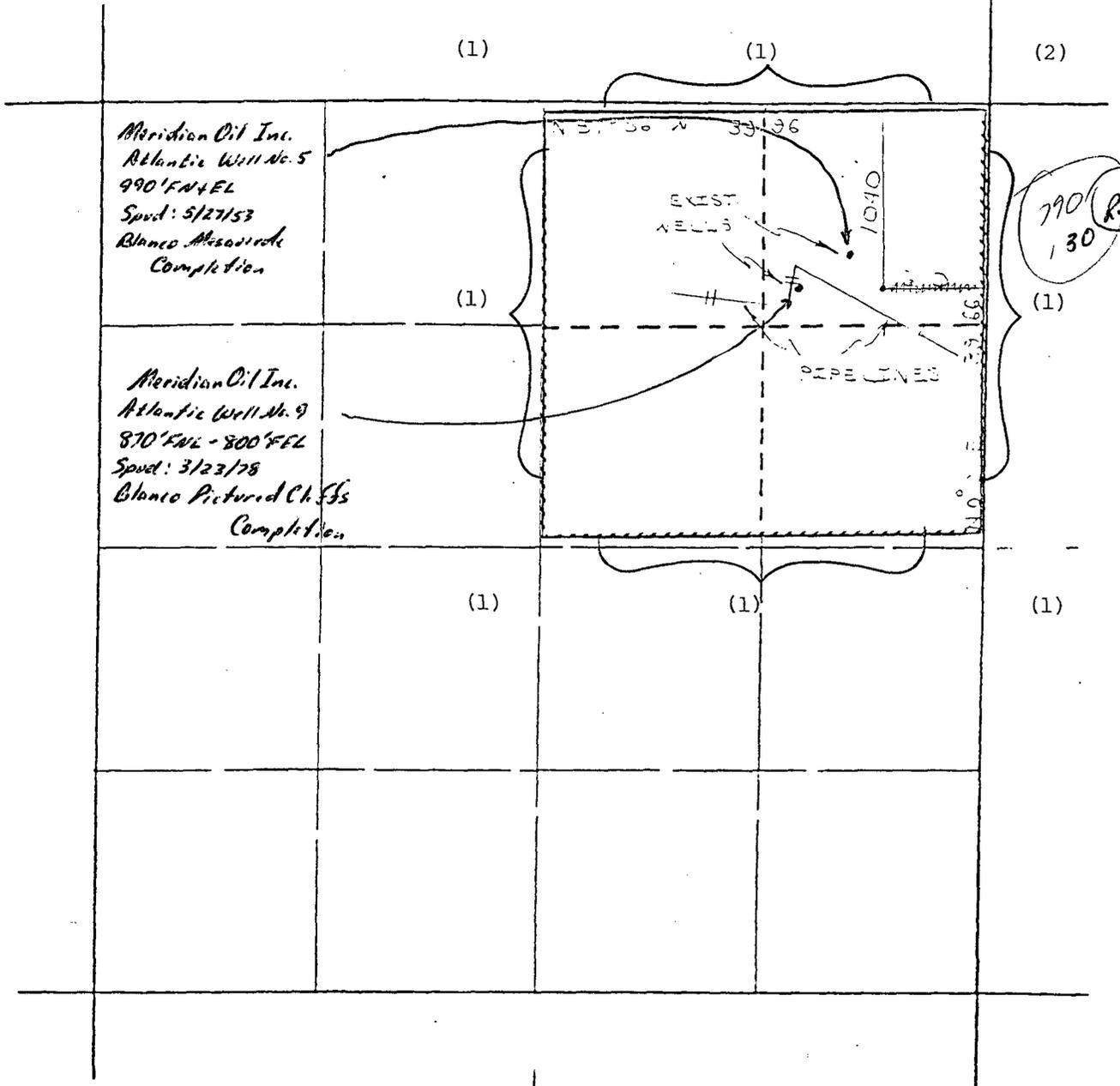
MERIDIAN OIL INC.

Well Name Atlantic #205, Undesignated Fruitland

Footage---- 1040' FNL; 610' FEL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 22 Township 31N Range 10W



Meridian Oil Inc.
Atlantic Well No. 5
990' FNL + EL
Spud: 5/27/53
Blanco Mesavieja
Completion

Meridian Oil Inc.
Atlantic Well No. 9
870' FNL - 800' FEL
Spud: 3/23/78
Blanco Pictured Cl. Fss
Completion

REMARKS: OFFSET OPERATORS:

(1) Meridian Oil Inc.

(2) El Paso Natural Gas Company





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 THE HAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 8-4-88

RE: Proposed MC _____
Proposed DIIC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PHX _____

RECEIVED
AUG - 8 1988
OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

I have examined the application dated 7-14-88

for the MERIDIAN OIL INC. ATLANTIC #205 A-22-31N-10W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

[Signature]