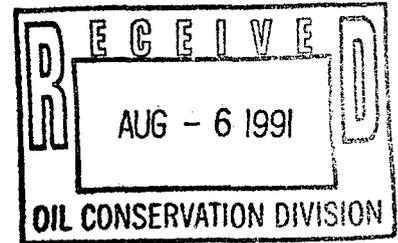


MERIDIAN OIL

August 2, 1991

Sept. 25 1991

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87503



Re: Huerfano Unit #302
815'FNL, 1515'FWL
Section 31, T-27-N, R-10-W, San Juan County, NM

Gentlemen:

This is an application for administrative approval for non-standard location of the referenced well in the Angels Peak Gallup formation. This location is necessary due to the terrain features of this section as shown on the topographic map.

The following are items for your consideration:

1. Application for Permit to Drill as filed with the Bureau of Land Management.
2. Completed C-102 showing well location, proration unit and leases within the unit.
3. Plat showing offset operators/owners.
4. 7.5 minute topographic map of well location, showing the orthodox windows; and enlargement of the map to define topographic features.
5. Archaeological report.
6. This well may be deemed economically unfeasible due to incremental directional drilling costs of \$110,000.00.
7. Affidavit of notification of offset operators/owners; waiver from Bonneville Fuels.

Please let me know if you require further information.

Sincerely,

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

Peggy Bradfield
Regulatory Affairs

encs.

xc: Bureau of Land Management, Farmington District
New Mexico Oil Conservation Division, Aztec District

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL	5. LEASE NUMBER SF-078422	
1b. TYPE OF WELL GAS	6. IF INDIAN, ALL. OR TRIBE NAME	
2. OPERATOR MERIDIAN OIL INC.	7. UNIT AGREEMENT NAME HUERFANO UNIT	
3. ADDRESS & PHONE NO. OF OPERATOR P O BOX 4289 FARMINGTON, NM 87499	8. FARM OR LEASE NAME HUERFANO UNIT	
4. LOCATION OF WELL 815' FNL 1515' FWL	9. WELL NO. 302	
10. FIELD, POOL, OR WILDCAT ANGEL PEAK GALLUP	11. SEC. T. R. M OR BLK. SEC. 31 T27N R10W NMPM	
14. DISTANCE IN MILES FROM NEAREST TOWN 12 MILES S OF BLOOMFIELD	12. COUNTY SAN JUAN	13. STATE NM
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE. 815'	16. ACRES IN LEASE	17. ACRES ASSIGNED TO WELL 327.90
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DR. COMPL., OR APPLIED FOR ON THIS LEASE. 850'	19. PROPOSED DEPTH 5920'	20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (DF, FT, GR, ETC.) 6165' GL	22. APPROX. DATE WORK WILL START	

23. PROPOSED CASING AND CEMENTING PROGRAM

*SEE OPERATIONS PLAN

24. AUTHORIZED BY: [Signature]
REG. DRILLING ENGR.

6/17/91
DATE

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

NOTE: THIS FORMAT IS ISSUED IN LIEU OF US BLM FORM 3160-3.

ARCH REPORT SUBMITTED 05/30/91

Submit to Appropriate District Office
 State Leases - 4 copies
 Fee Leases - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

CFH

Form C-102
 Revised 1-1-8

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

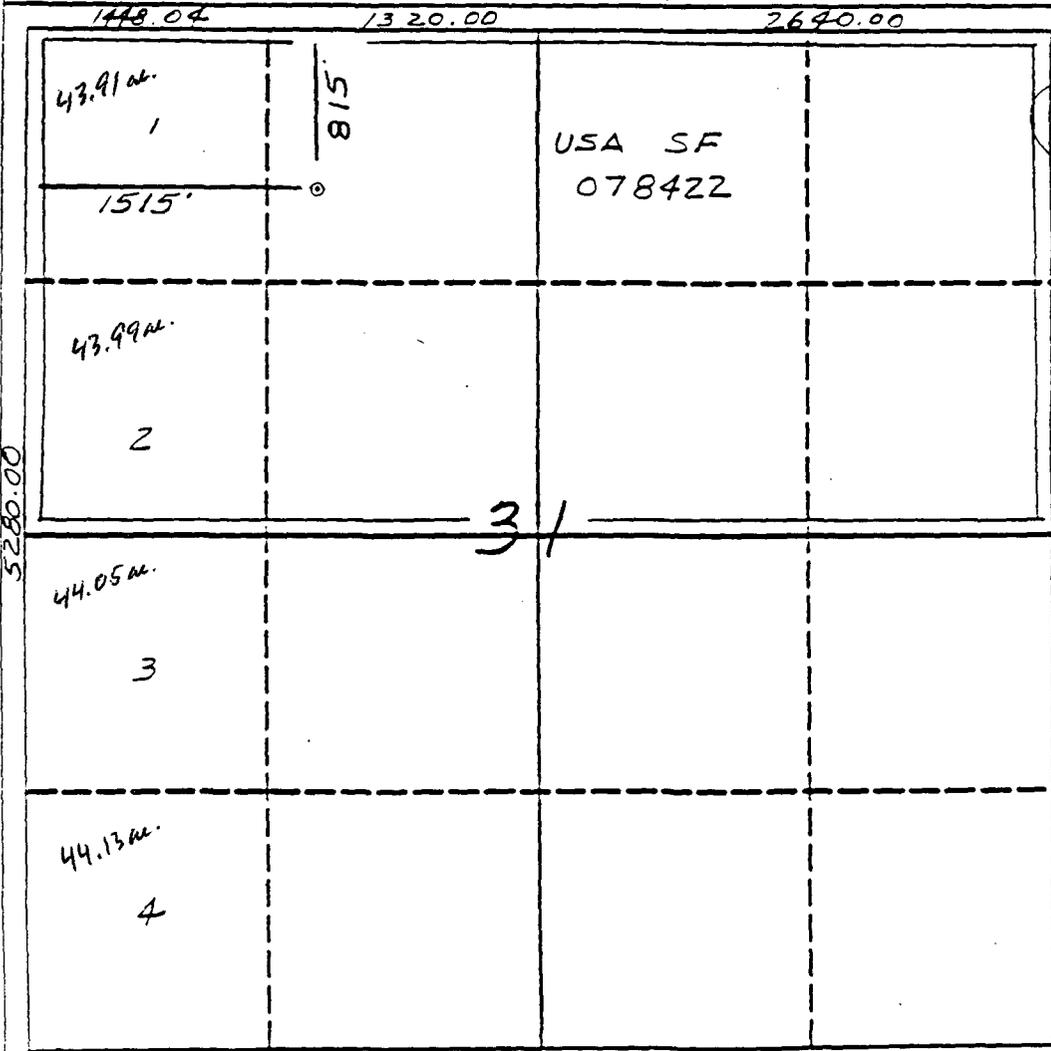
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc,			Lease Huerfano Unit		Well No. 302
Unit Lateral C	Section 31	Township 27 North	Range 10 West	County San Juan	NMPM
Actual Footage Location of Well: 815 feet from the North line and 1515 feet from the West line					
Ground level Elev. 6165'	Producing Formation Gallup		Pool Angel Peak	Dedicated Acreage: 327.90 Acre	

- Outline the acreage dedicated to the subject well by corners, points or section corners on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation unitization
 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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information herein is true and complete to the best of my knowledge and belief.
 Signature: Peggy Bradfield
 Printed Name: Peggy Bradfield
 Position: Regulatory Affairs
 Company: Meridian Oil Inc.
 Date: 6-18-91

SURVEYOR CERTIFICATION
 I hereby certify that the well location on this plat was plotted from field actual surveys made by me or under my supervision, and that the same is true, correct to the best of my knowledge and belief.
 Date Surveyed: 5-14-91
 Signature of Surveyor: [Signature]
 Professional Surveyor: [Signature]
 State of New Mexico
 Registered Professional Surveyor
 6857
 6857
 Certificate No. [Number]

Well Name: 302 HUERFANO UNIT
Sec. 31 T27N R10W
ANGEL PEAK GALLUP

815'FNL 1515'FWL
SAN JUAN NEW MEXICO
Elevation 6165'GL

Formation tops: Surface- NACIMIENTO
Ojo Alamo- 763 Lewis- 2108 Mancos- 4453
Kirtland- 873 Mesaverde- 3173 Niobrara- 5648
Fruitland- 1538 Menefee- 3343 Juana Lopez- 5818
Pictured Cliffs- 1758 Pictured Lewis- 4178
Total Depth- 5920
Longstring

Logging Program: Mud logs from 5000 to total depth.

Mud Program:	Interval	Type	Weight	Visc.	Fl. Loss
	0 - 200	Spud	8.4 - 8.9	40-50	no control
	200 - 5920	Non-dispersed	8.4 - 9.5	30-60	no control

Casing Program:	Hole Size	Depth Interval	Csg. Size	Weight	Grade
	12 1/4"	0 - 200	8 5/8"	24.0#	K-55
	7 7/8"	0 - 5920	4 1/2"	10.5#	K-55
Tubing Program:		0 - 5920	2 3/8"	4.7#	J-55

Float Equipment: 8 5/8" surface casing - saw tooth guide shoe. Centralizer will be run in accordance with Onshore Order #2.

4 1/2" production casing - float shoe on bottom. Three centralizers run every other joint above shoe. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 873'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead Equipment: 8 5/8" x 4 1/2" x 2 3/8" x 11" 3000 psi xmas tree assembly

Cementing:
8 5/8" surface casing - cement with 211 sacks of class "B" cement with 1/4# flocele/sack and 3% calcium chloride (248 cu ft. of slurry, 200% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

4 1/2" production casing - First stage: Lead with 160 sacks of 65/35 Class "B" pozmix with 6% gel, 2% CaCl2, 5#/sack gilsonite, and 1/4#/sack Flocele. Tail with 240 sacks of Class "B" cement with 2% CaCl2, (570 cu. ft., 75% excess to circulate stage tool @ 4500'). Second stage: Lead with 290 sacks of 65/35 Class "B" pozmix with 6% gel, 2% CaCl2, 5#/sack gilsonite, and 1/4#/sack Flocele. Tail with 435 sacks of Class "B" cement with 2% CaCl2, (1025 cu. ft., 100% excess to circulate stage tool @ 2250'). Third stage: Lead with 290 sacks of 65/35 Class "B" pozmix with 6% gel, 2% CaCl2, 5#/sack gilsonite, and 1/4#/sack Flocele. Tail with 436 sacks of Class "B" cement with 2% CaCl2, (1030 cu. ft., 100% excess to circulate surface).

BOP and Tests:

Surface to TD - 11" 2000 psi (minimum) double gate BOP stack (Reference Figure #1 and #2). Prior to drilling out surface casing, test rams to 500 psi for 30 minutes.

Completion - 6" 2000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to completion operations, test rams to 3000 psi for 15 minutes.

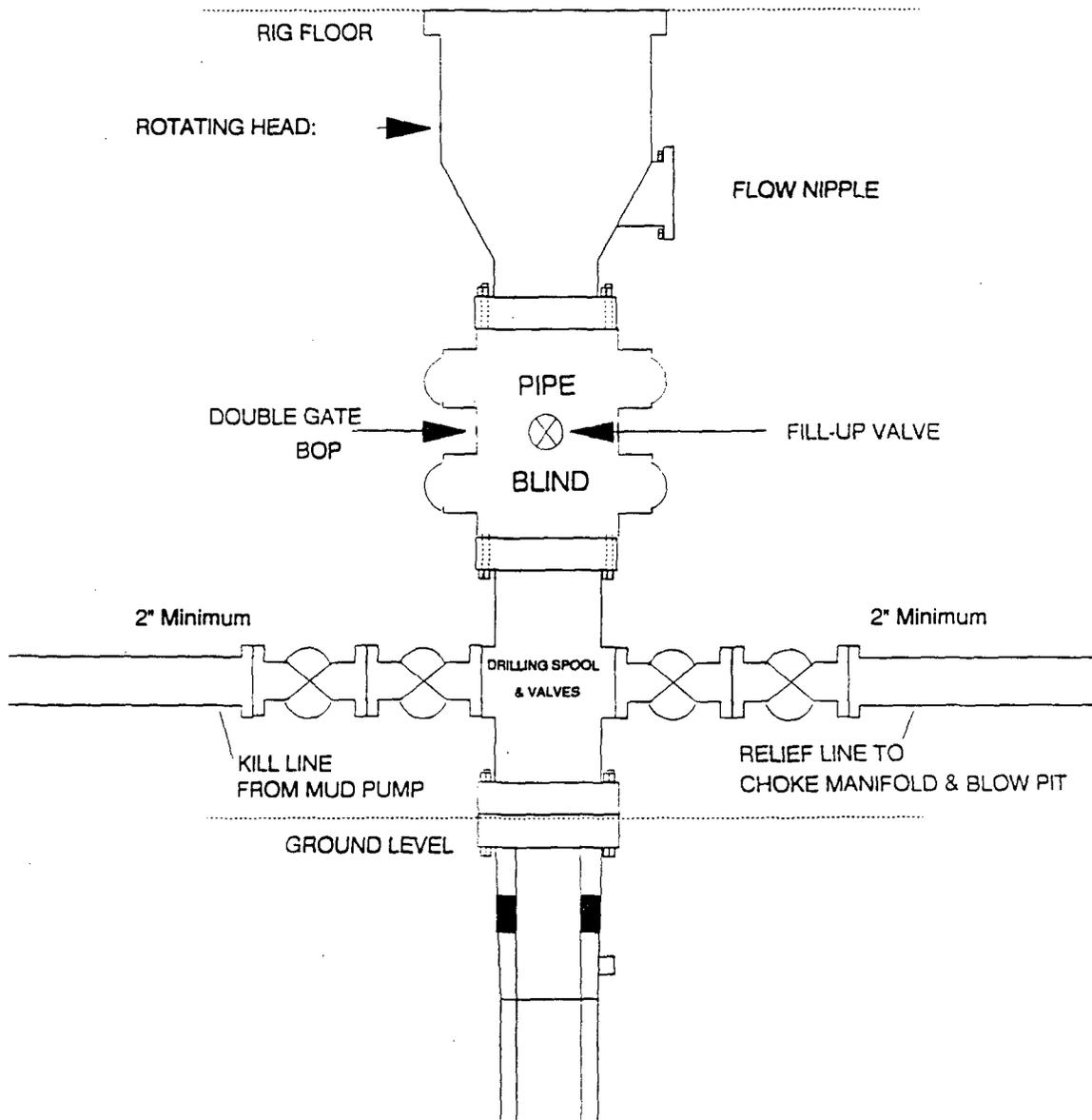
From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional Information:

- * This gas is dedicated.
- * New casing will be utilized.
- * Cementing Contractor will provide the BLM with a chronological log including the pump rate and pressure, and the slurry density and volume for all cement jobs.
- * Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

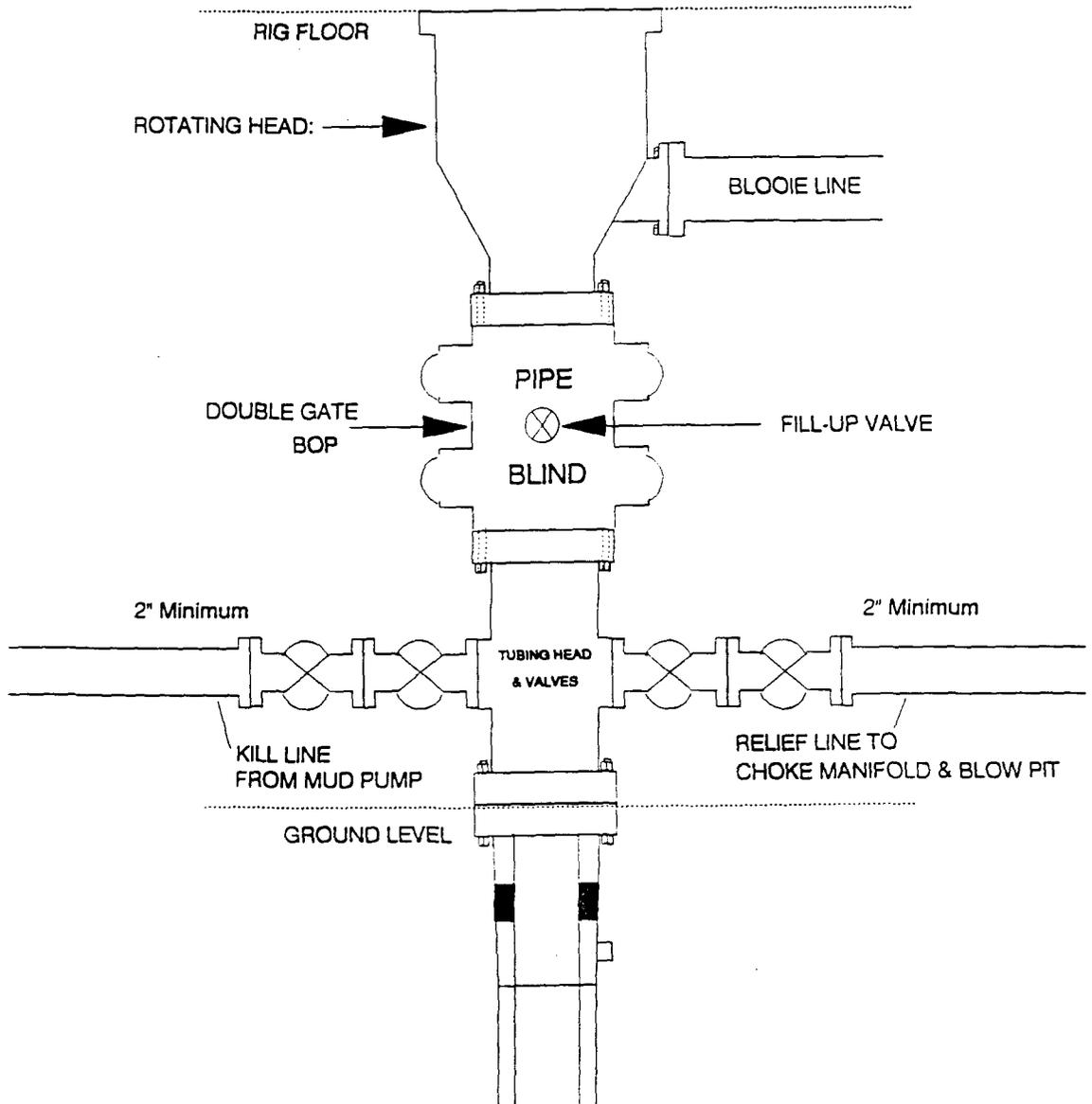
MERIDIAN OIL INC.
 Drilling Rig
 BOP Configuration



Minimum BOP installation for a typical Gallup well from surface to Total Depth. 11" Bore (10" Nominal), 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A Schaffer Type 50 equivalent rotating head to be installed on the top of BOP. All equipment is 2000psi working pressure/or greater.

Figure #1

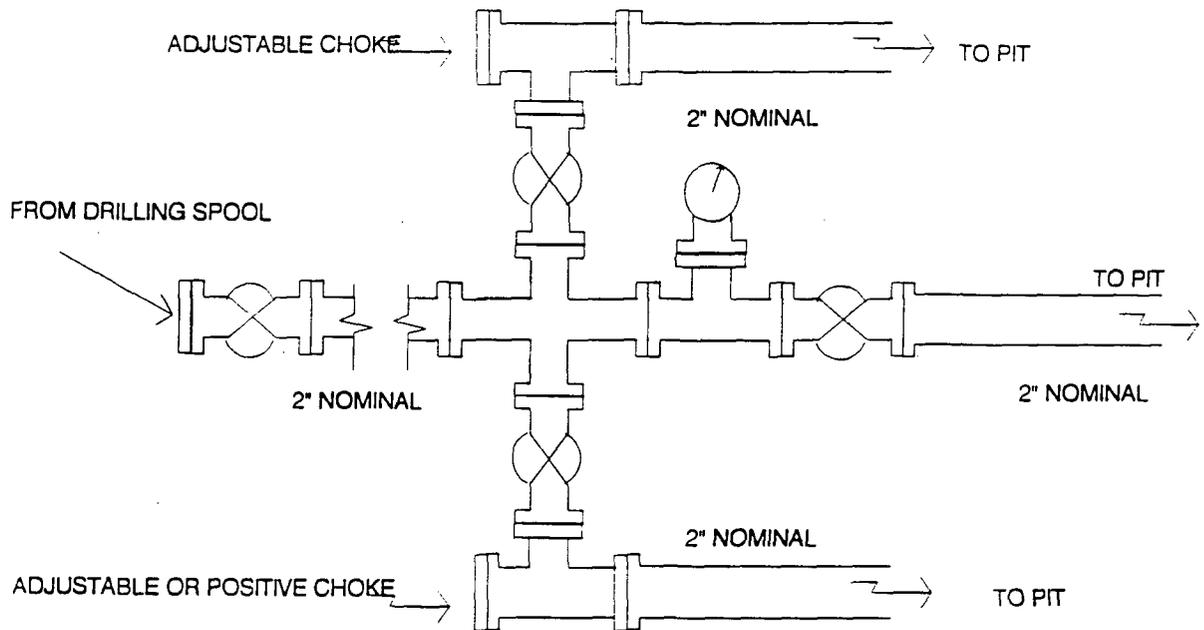
MERIDIAN OIL INC.
Completion Rig
BOP Configuration



Minimum BOP installation for Completion Operations. 7 1/16" Bore (6" Nominal), 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams

Figure #2

MERIDIAN OIL INC.
Typical Gallup Well
Choke Manifold Configuration



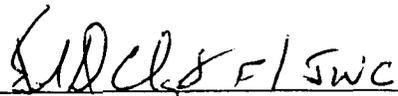
Minimum choke manifold installation for a typical Gallup well from surface to Total Depth. 2", 2000psi working pressure equipment with two chokes.

Figure #3

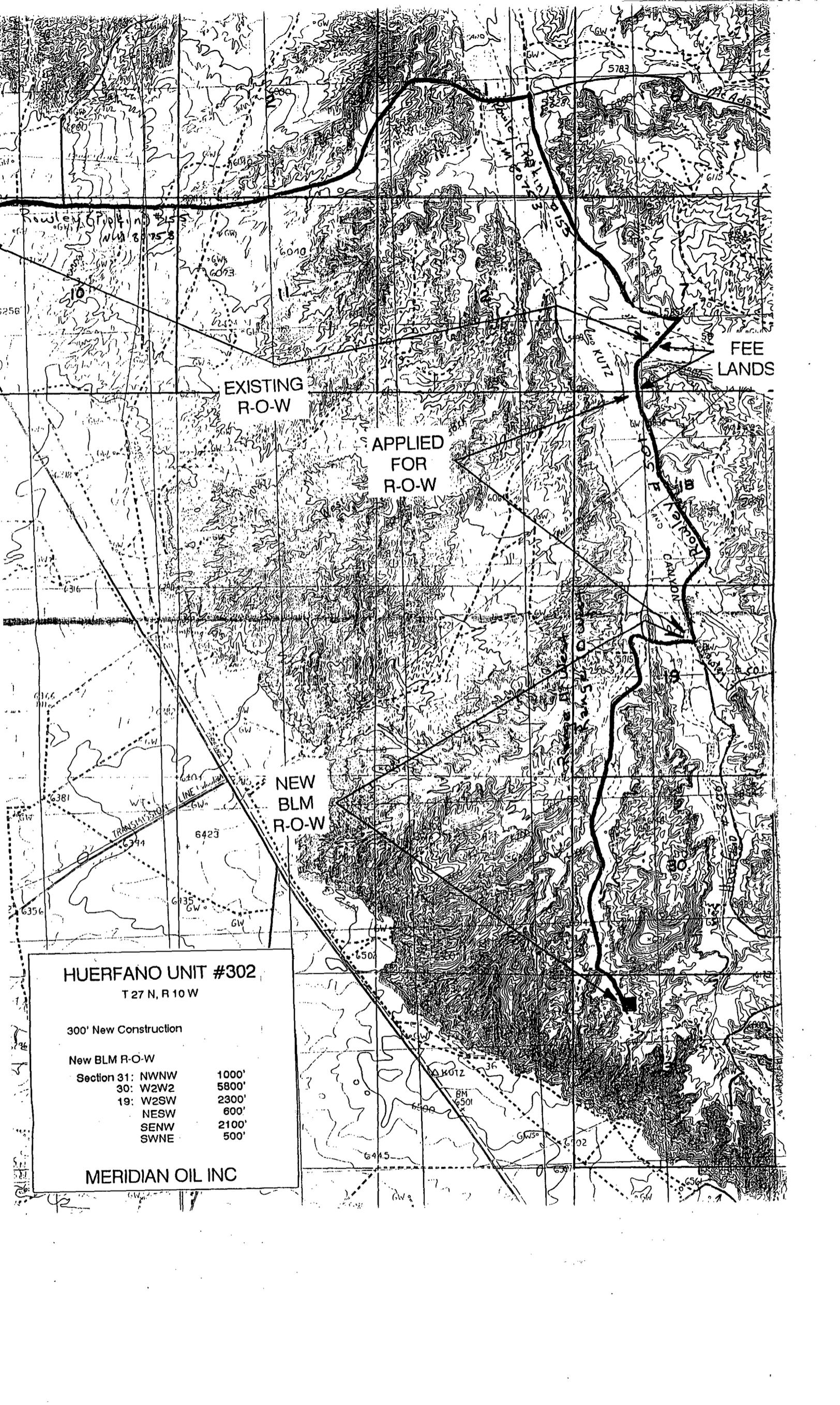
Multi-Point Surface Use Plan
Meridian Oil Inc.
Huerfano Unit #302

1. Existing Roads - Refer to Map No. 1. Existing roads used to access the proposed location will be properly maintained for the duration of the project. Bureau of Land Management right-of-way has been applied for as shown on Map No. 1.
2. Planned Access Road - Refer to Map No. 1. The required new access road is shown on Map No. 1. The gradient, shoulder, crowning and other design elements will meet or exceed those specified by the responsible government agency. The new access road surface will not exceed twenty feet (20') in width. No additional turnarounds or turnouts will be required. Upon completion of the project, the access road will be adequately drained to control soil erosion. Approximately 300' of access road will be constructed. Pipelines are indicated on Map No. 1A.
3. Location of Existing Wells - Refer to Map No. 1A.
4. Location of Existing and/or Proposed Facilities if Well is Productive -
 - a. On the Well Pad - Refer to Plat No. 1, anticipated production facilities plat.
 - b. Off the Well Pad - Anticipated facilities off the well pad will be applied for as required.
5. Location and Type of Water Supply - Water will be hauled by truck for the proposed project and will be obtained from Rowley #7 Bradenhead located in SW/4 Section 07, T-27-N, R-10-W, New Mexico.
6. Source of Construction Materials - If construction materials are required for the proposed project, such materials will be obtained from a commercial quarry.
7. Methods of Handling Waste Materials - All garbage and trash materials will be removed from the site for proper disposal. A portable toilet will be provided for human waste and serviced in a proper manner. If liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying waste materials into the watershed. All earthen pits will be so constructed as to prevent leakage from occurring; no earthen pit will be located on natural drainage. Hazardous waste will be disposed of in accordance with Federal Regulations.
8. Ancillary Facilities - None anticipated.
9. Wellsite Layout - Refer to the location diagram (Plat No. 2) and to the wellsite cut and fill diagram (Plat No. 2A). The Blow Pit will be constructed with a 2'/160' grade to allow positive drainage to the Reserve Pit and prevent standing liquids in the Blow Pit.

10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the responsible government agency. The permanent location facilities will be painted as designated by the responsible government agency.
11. Surface Ownership - Bureau of Land Management.
12. Other Information - Environmental stipulations as outlined by the responsible government agency will be adhered to. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
13. Operator's Representative and Certification - Meridian Oil Regional Drilling Manager, Post Office Box 4289, Farmington, NM 87499, telephone (505) 326-9700. I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Meridian Oil Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Regional Drilling Engineer

JWC/adw



EXISTING
R-O-W

APPLIED
FOR
R-O-W

NEW
BLM
R-O-W

FEE
LANDS

HUERFANO UNIT #302
T 27 N, R 10 W

300' New Construction

New BLM R-O-W

Section 31: NWNW	1000'
30: W2W2	5800'
19: W2SW	2300'
NESW	600'
SENW	2100'
SWNE	500'

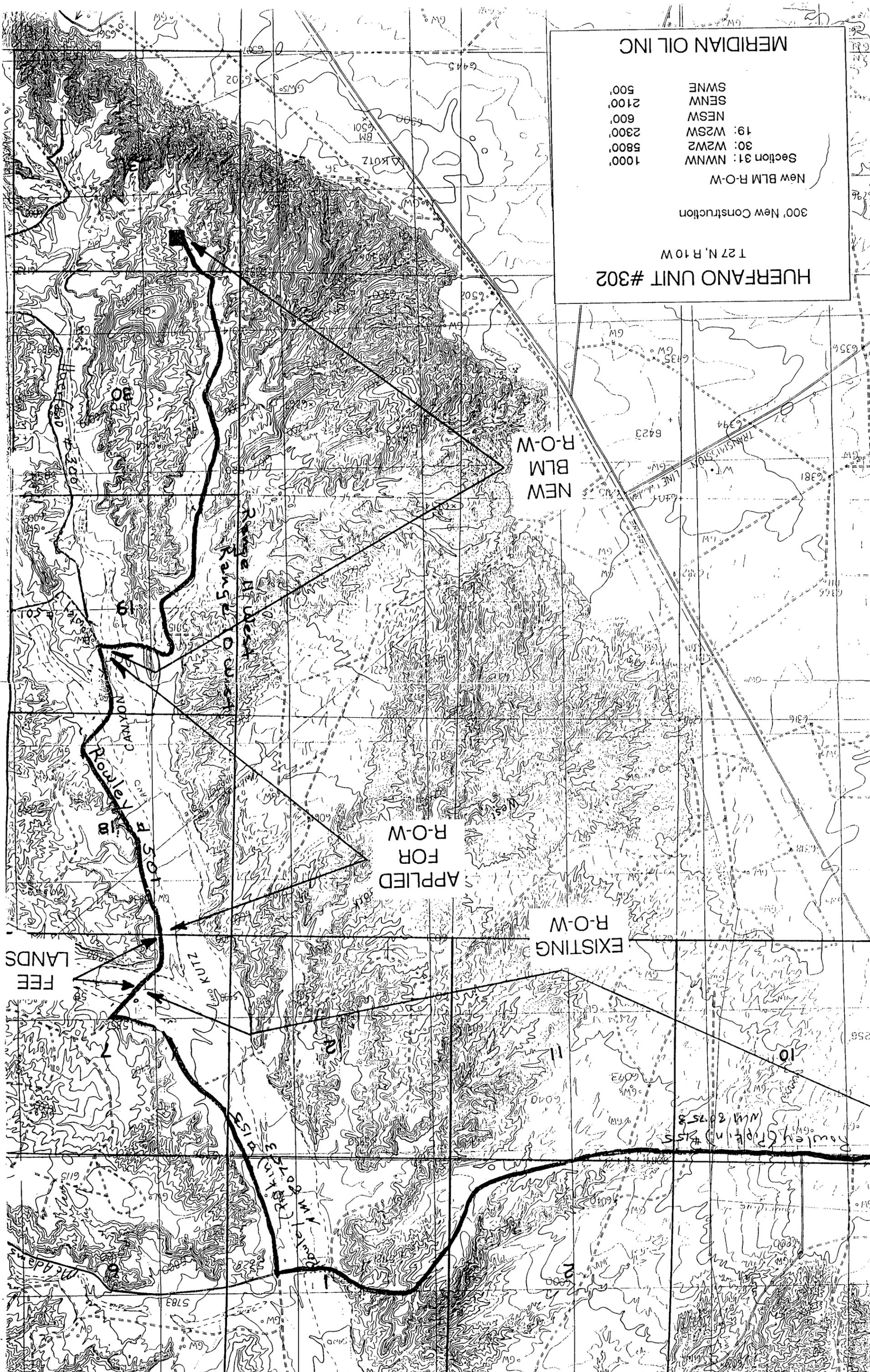
MERIDIAN OIL INC

MERIDIAN OIL INC

Section 31: NWNW
30: W2W2
19: W2SW
600
2300
5800
1000
500
SWNE
SENW
NESW

New BLM R-O-W
300' New Construction

HUERFANO UNIT #302
T 27 N, R 10 W



NEW
BLM
R-O-W

APPLIED
FOR
R-O-W

EXISTING
R-O-W

FEE
LANDS

Rowley
CANYON

Range R-O-W

Rowley (1/4) NW 27-58

SLIB
SINK

15

A 501

2

10

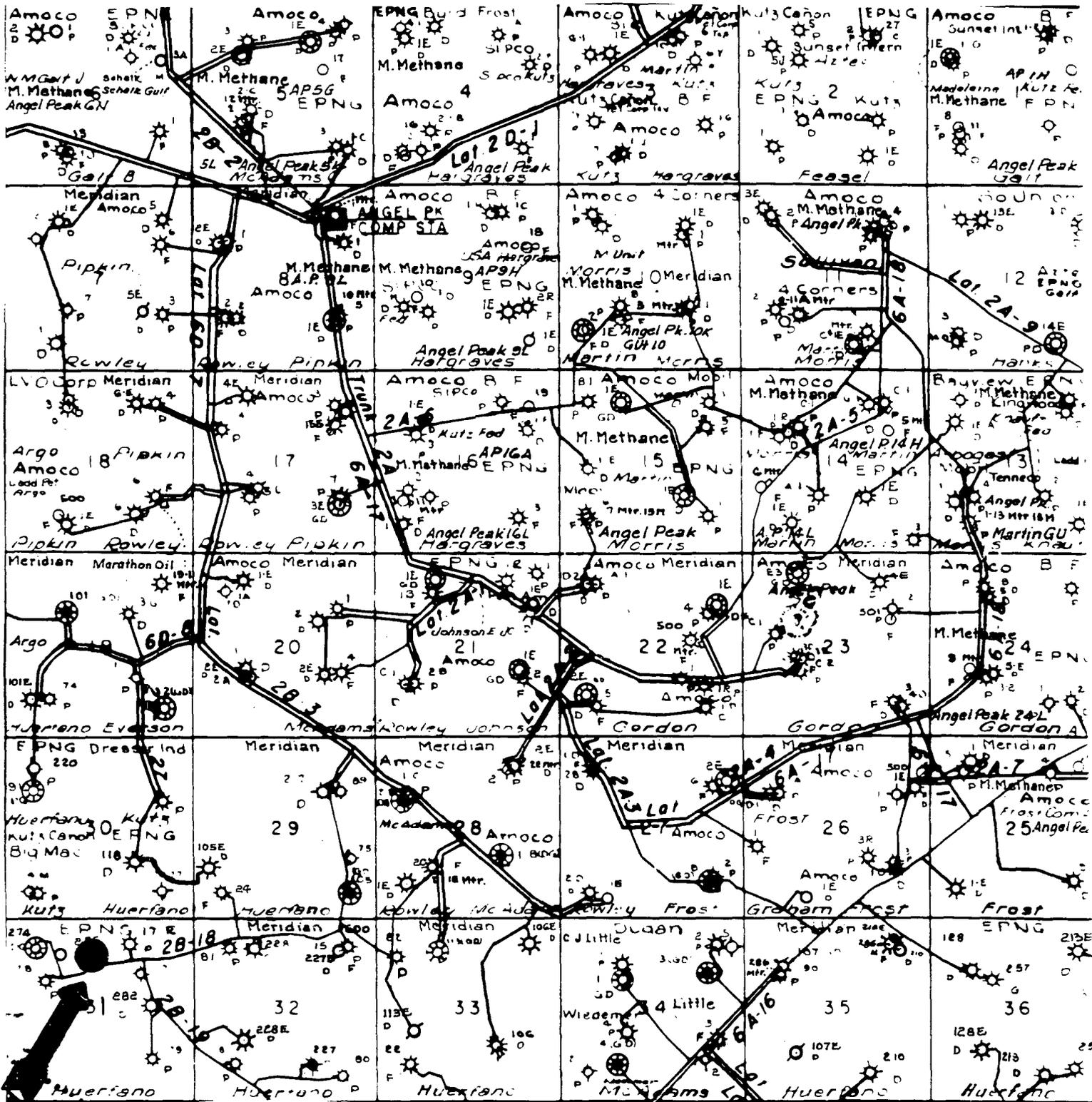
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15

15

15

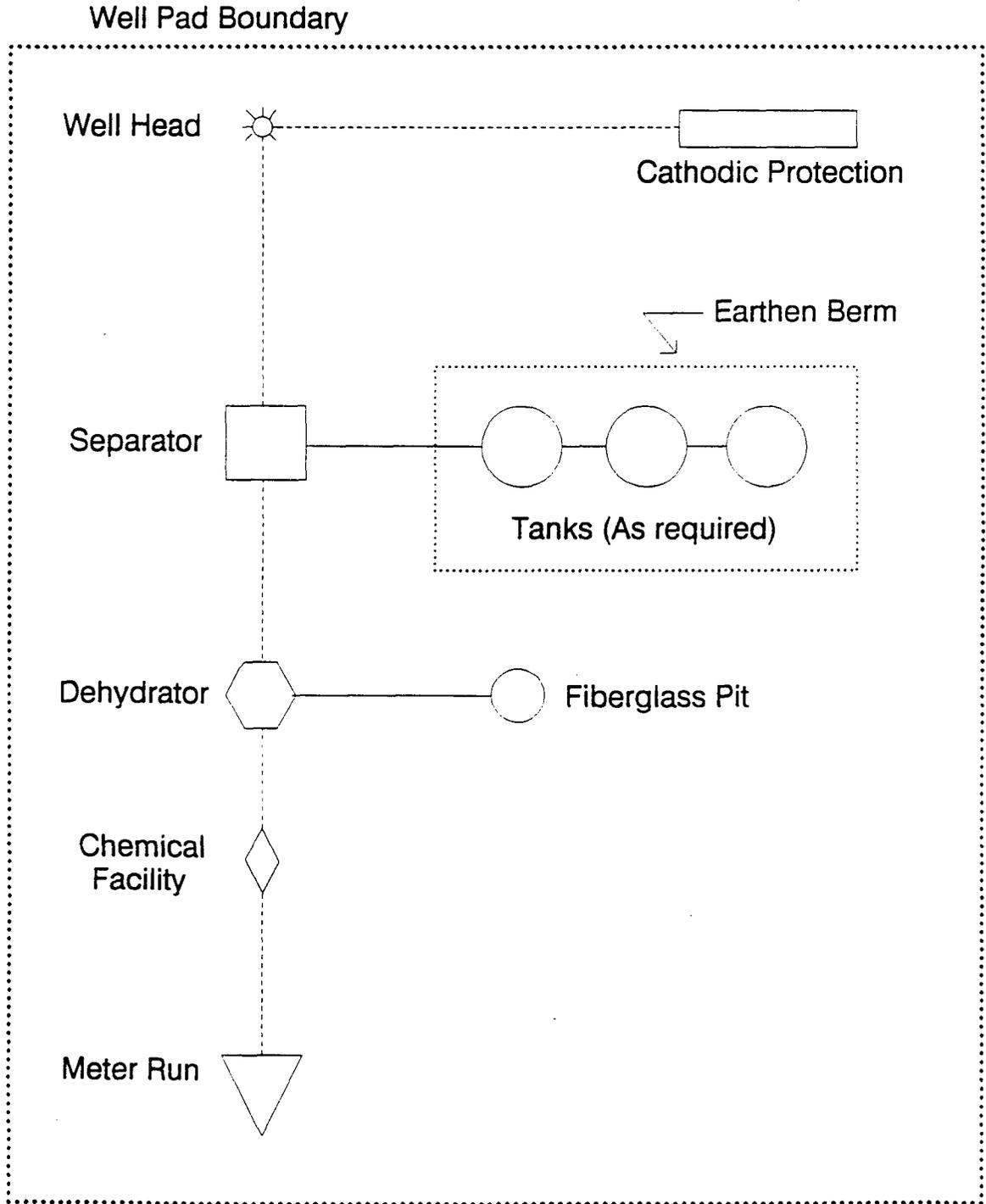
15



MERIDIAN OIL INC.
 Pipeline Map
 T-27-N, R-10-W
 San Juan County, New Mexico

Huerfano Unit #302
 Map #1A

MERIDIAN OIL INC.
ANTICIPATED PRODUCTION FACILITIES
FOR A GALLUP WELL



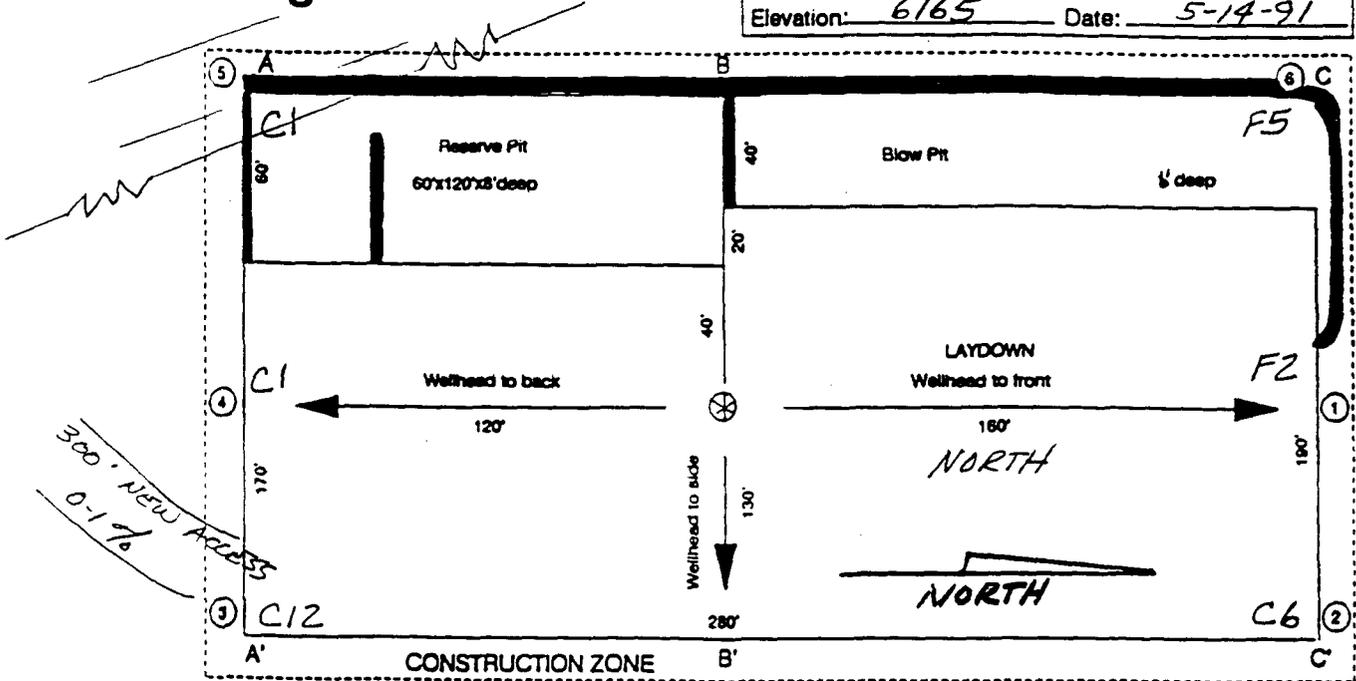
PLAT #1

FIGURE #4

MERIDIAN OIL

Figure #4

Name: HUERFANO UNIT # 302
 Footage: 815 FNL 1515 FNL
 Sec 31 T. 27 N.R. 10 W NMPM
 Co. SAN JUAN St. NM
 Elevation: 6165 Date: 5-14-91



A-A' C/L

6175									
6165									
6155									

B-B' C/L

6175									
6165									
6155									

C-C' C/L

6175									
6165									
6155									

Submit to Associates
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

CFH

Form C-102
Revised 1-1-8

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer 00, Artesa, NM 88210

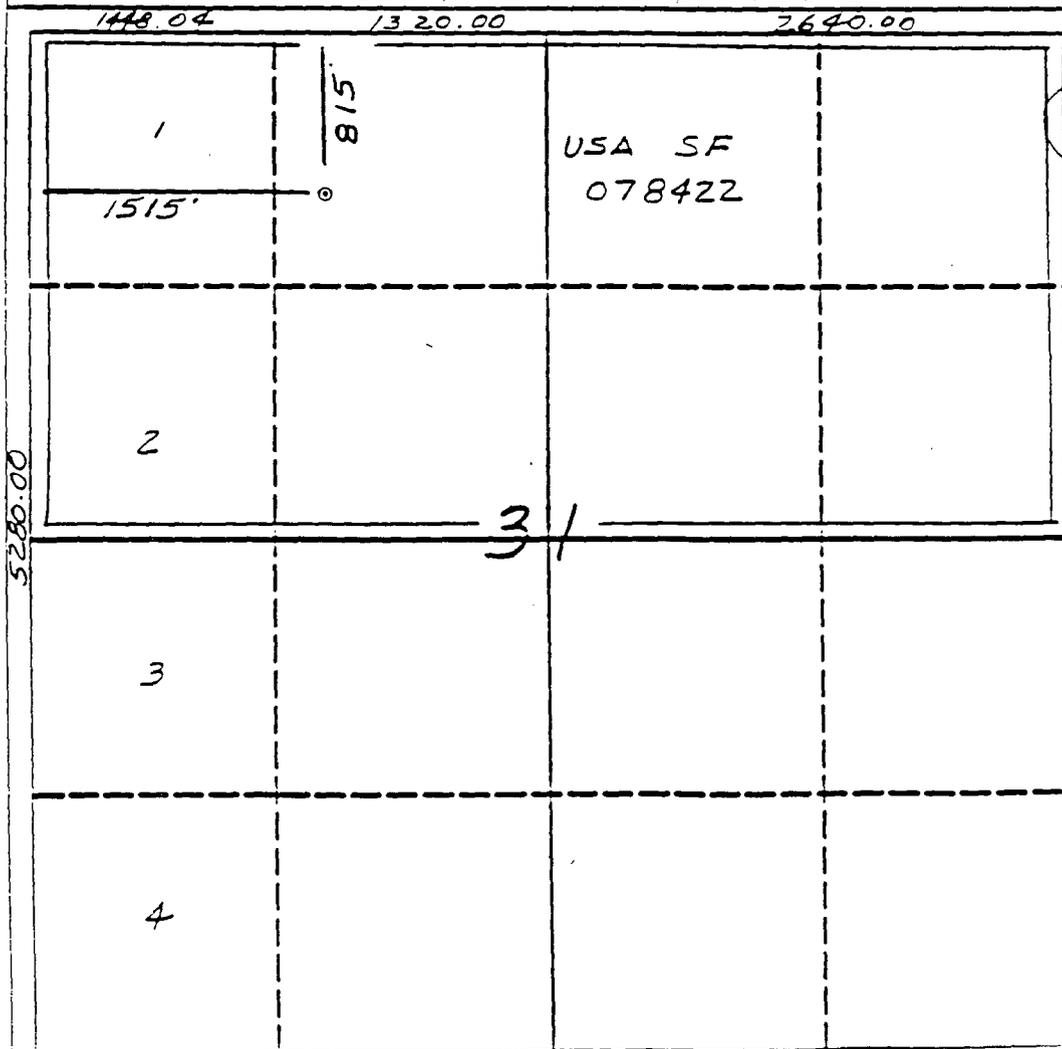
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Meridian Oil Inc,		Lease Huerfano Unit		Well No. 302
Unit Letter C	Section 31	Township 27 North	Range 10 West	County San Juan
Actual Footage Location of Well: 815 feet from the North line and 1515 feet from the West line				
Ground level Elev. 6165'	Producing Formation Gallup	Pool Angel Peak	Dedicated Acreage: 327.90 Acre	

- Outline the acreage dedicated to the subject well by colored pencil or ink on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation unitization
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowance will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard test, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATE

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

Peggy Bradfield
Signature
Peggy Bradfield

Printed Name
Regulatory Affairs

Position
Meridian Oil Inc.

Company

6-18-91

Date

SURVEYOR CERTIFICATE

I hereby certify that the well location on this plat was plotted from field actual surveys made by me or under supervision, and that the same is true correct to the best of my knowledge and belief.

5-14-91

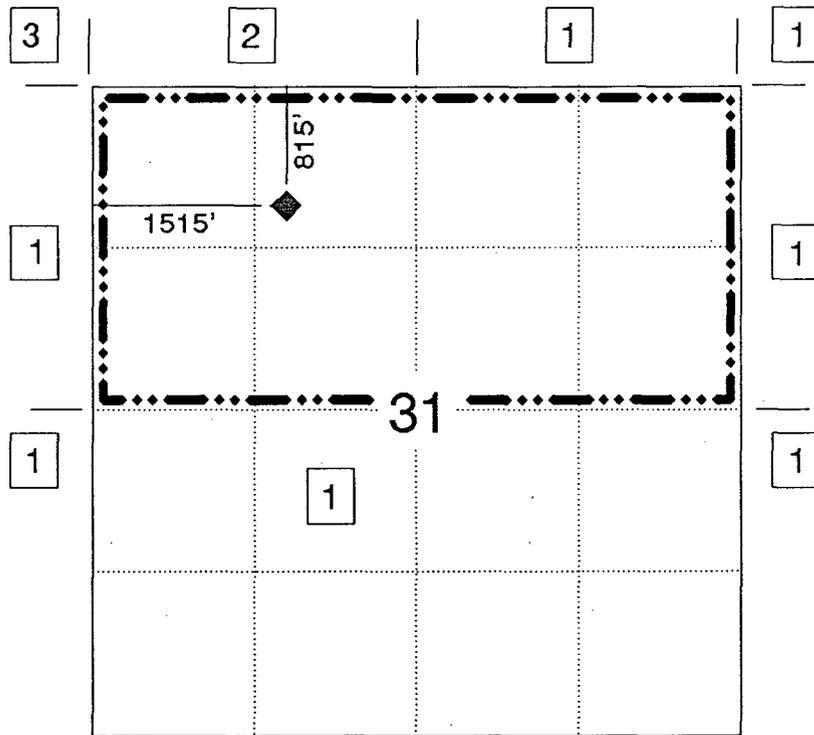
Date Surveyed

[Signature]
Signature of Registered Professional Surveyor
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
6857
6857
Certificate No.

OFFSET OPERATOR PLAT

HUERFANO UNIT #302

Township 27 North, Range 10 West



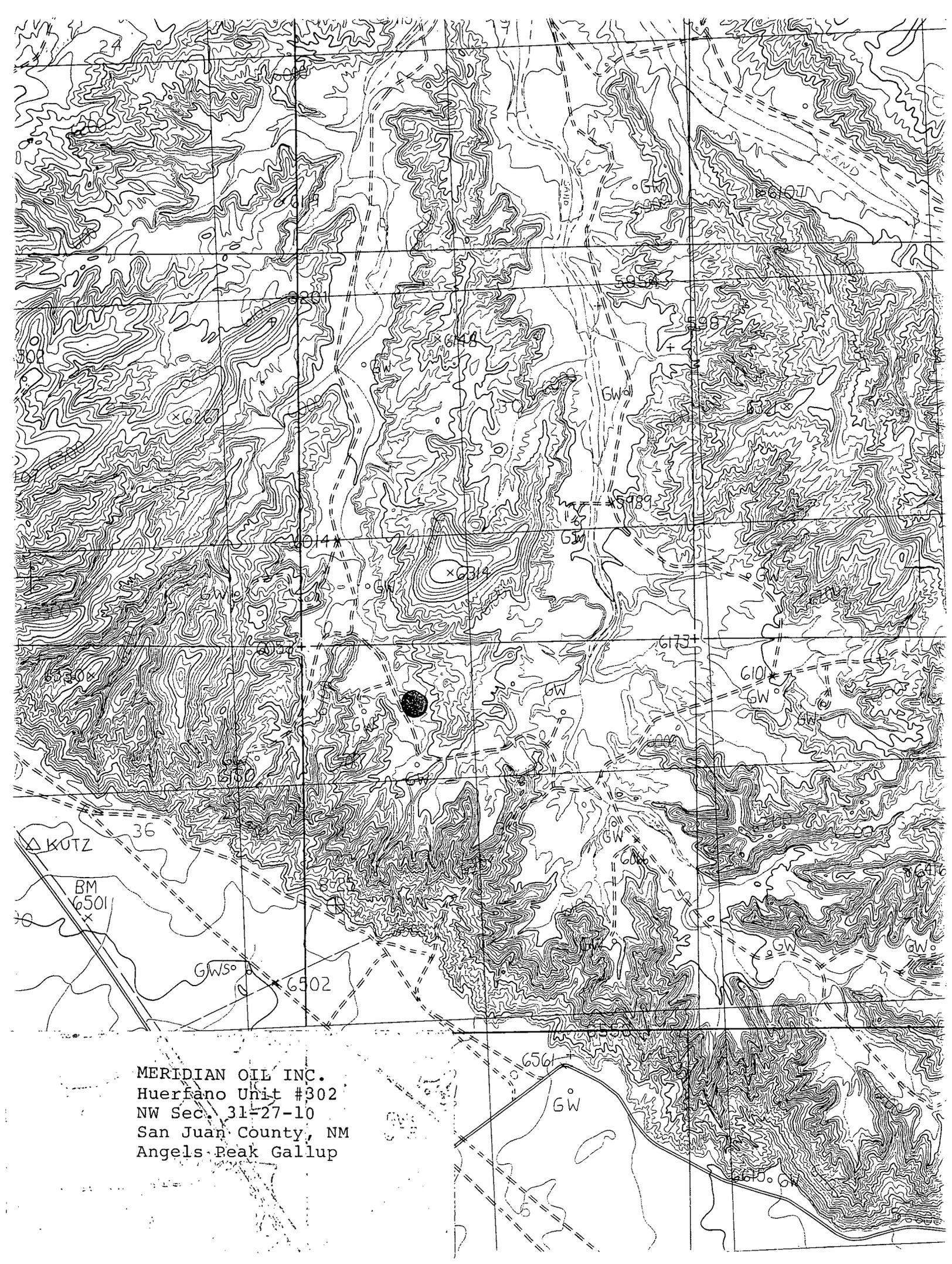
1) Meridian Oil Inc.

2) Parker & Parsley Petroleum Company

600 W Illinois, Ste 103, Midland, TX 79701

3) Bonneville Fuels Corporation

1600 Broadway, Ste 1110, Denver, CO 80202

A topographic map showing contour lines, a grid, and various annotations. A prominent feature is a large black dot in the center-left area. The map includes labels for 'KUTZ', 'BM 6501', 'GWS', and 'GW'. A dashed line labeled '36' is visible in the lower-left. The map is overlaid with a grid of latitude and longitude lines.

MERIDIAN OIL INC.
Huerrfano Unit #302
NW Sec. 31-27-10
San Juan County, NM
Angels Peak Gallup

Project No. 054-91-C

Cultural Resource Use Permit
7-2920-91-Z (NM BLM)

MERIDIAN OIL

JUN 5 1991

An Archaeological Survey of the Proposed **FARMINGTON, NEW MEXICO**
Huerfano Unit No. 302 Well Pad and Access Road **Construction Supervisor**
near Angel Peak, San Juan County, New Mexico
(T27N, R10W, Section 31, 815' F/NL, 1515' F/WL)

for

Meridian Oil Inc.

by

Scott Wilcox
Supervisory Archaeologist

Submitted by

Byron P. Johnson
Director

DIVISION OF CONSERVATION ARCHAEOLOGY

Technical Report No. 2491
San Juan County Archaeological Research Center and Library

May 30, 1991

ABSTRACT

On May 21, 1991, the Division of Conservation Archaeology of the San Juan County Museum Association completed an archaeological survey of the proposed Huerfano Unit No. 302 well pad and access road for Meridian Oil Inc. The survey area is located at the south end of Kutz Canyon near Angel Peak in San Juan County, New Mexico and is under the jurisdiction of the Bureau of Land Management. Approximately 7.9 acres were intensively inventoried.

No cultural resources were found. We recommend archaeological clearance for the proposed Huerfano Unit No. 302 well pad and access road as described in this report.

INTRODUCTION

On May 21, 1991, the Division of Conservation Archaeology (DCA) of the San Juan County Museum Association conducted an archaeological survey for Meridian Oil Inc. of Farmington, New Mexico. Charles Werner requested the survey on May 17, 1991 and administered the project for Meridian Oil Inc. Byron P. Johnson administered the project for DCA.

In recognition of the limited, nonrenewable nature of archaeological remains, the federal government has enacted legislation that is designed to conserve and protect these resources. The principal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665) and as amended in 1976 and 1980 (PL 96-515), the National Environmental Policy Act of 1969 (PL 91-852), the 1971 Executive Order No. 11593, the Historic and Archaeological Data Preservation Act of 1974 (PL 93-291), and the Archaeological Resources Protection Act of 1979 (PL 96-95). In addition, the Navajo Nation and the states of Arizona, New Mexico, Utah, and Colorado have enacted laws to ensure compliance with federal legislation and to protect archaeological resources within their jurisdiction. Work undertaken in the course of this project complies with these statutes and is governed by the stipulations of Cultural Resource Use Permit 7-2920-91-Z (NM BLM).

DCA archaeologist Scott Wilcox surveyed the project area for cultural remains.

METHODS

The area was surveyed by walking straight line transects spaced 10 m apart. A construction zone of 50 ft and a cultural resource buffer zone of 100 ft were surveyed around the proposed well pad. A 200 x 200 ft buffer zone was surveyed around the access road t-intersection.

The archaeologist recorded all cultural remains. Those whose information potential exceeded what could be extracted during the survey phase were assigned site status. Other cultural remains were documented as isolated loci (IL). Pertinent environmental data were also recorded.

PREVIOUSLY RECORDED SITES

In addition to field inspection, the archaeologist conducted a search of the records at DCA and at the Bureau of Land Management (BLM) Farmington Resource Area office on May 20, 1991 to determine if any sites had been recorded in the project area. Site records required by the BLM and the New Mexico Historic Preservation Division were completed.

The records check revealed seven previously recorded sites within one mile of the proposed project area. Those sites are shown on BLM Supplement 1 A which is provided to the BLM only. None of the sites are within 1000 ft of the project.

PROJECT DESCRIPTION

The Proposed Huerfano Unit No. 302 Well Pad and Access Road (Figures 1 and 2)

Legal Description: T27N, R10W, Section 31, 815' F/NL, 1515' F/WL
W 1/2 NE 1/4 NW 1/4
N.M.P.M., San Juan County, New Mexico

Map Source: U.S.G.S. 7.5' East Fork Kutz Canyon, New Mexico (1985 Provisional Edition)

Land Jurisdiction: Bureau of Land Management

Project Area: 330' x 380' (well pad and construction zone)
35' x 300' (access road)

Surveyed Area: 530' x 580' (well pad and construction zone with buffer, includes access)
200' x 200' (t-intersection)
7.9 Acres

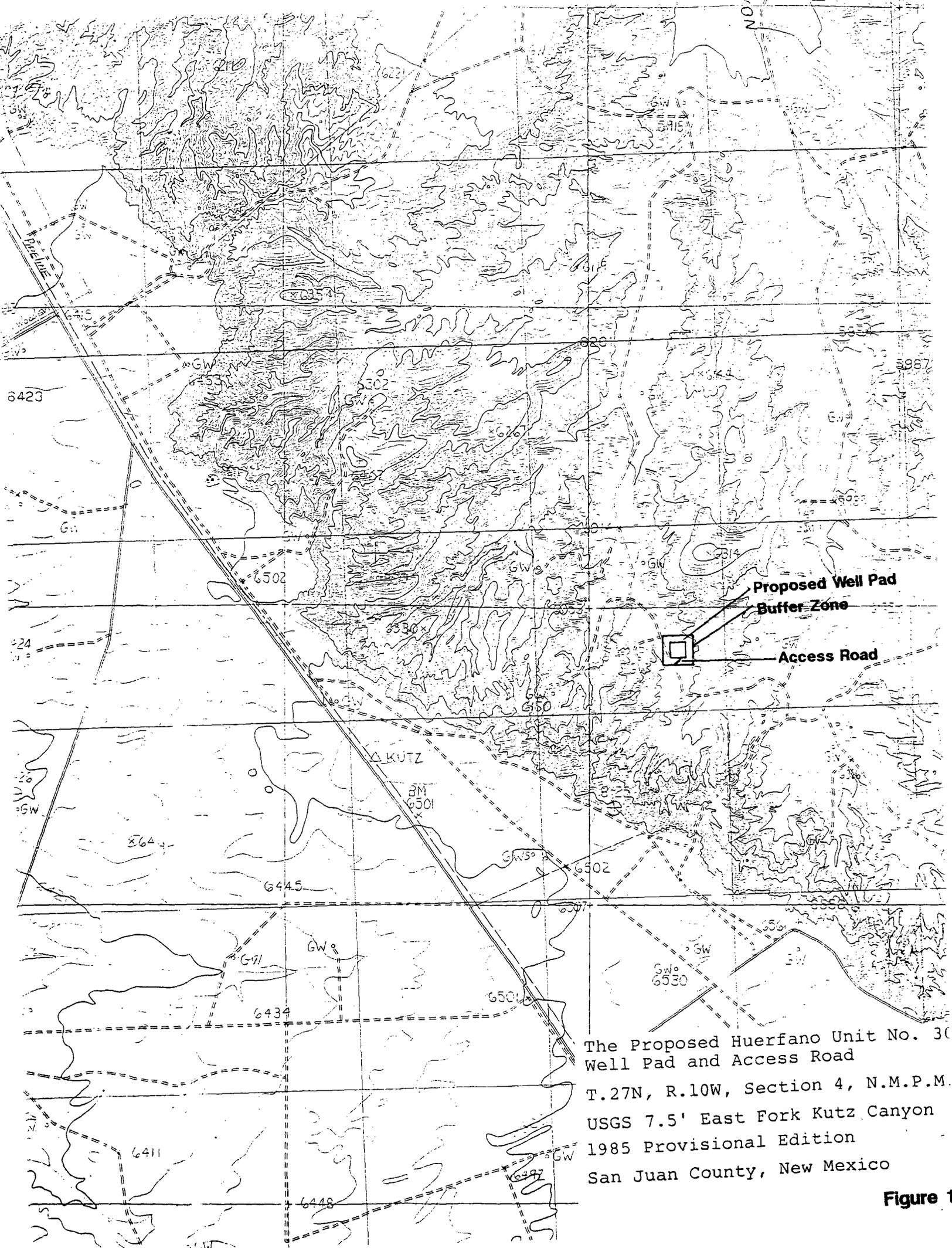
Environment: The proposed Huerfano Unit No. 302 well pad is located at the upper end of Kutz Canyon on a relatively flat area of the floodplain. Topography surrounding the well pad can be characterized as badlands and consists of steep clay-shale hills.

Vegetation consists of fourwing saltbush (Atriplex canescens), sagebrush (Artemisia tridentata), grasses, annuals, narrowleaf yucca (Yucca angustissima), and greasewood (Sarcobatus vermiculatus).

The access road was entirely within the buffer zone of the well pad.

Cultural Resources: No cultural resources were found during the survey.

Recommendations: We recommend archaeological clearance for the proposed Huerfano Unit No. 302 well pad and access road.



The Proposed Huerfano Unit No. 30
 Well Pad and Access Road
 T.27N, R.10W, Section 4, N.M.P.M.
 USGS 7.5' East Fork Kutz Canyon
 1985 Provisional Edition
 San Juan County, New Mexico

Figure 1

Huerfano Unit #302
815'FNL, 1515'FWL Section 31, T-27-N, R-10-W
San Juan County, New Mexico

I hereby certify that the following offset operators/owners have been mailed notification of our application for non-standard location to drill the subject well.

Parker & Parsley Petroleum
600 W. Illinois, Suite 103
Midland, TX 79701

Bonneville Fuels Corp
1600 Broadway, Suite 1110
Denver, CO 80202



Peggy A. Bradfield

San Juan County
State of New Mexico

July 24, 1991

My commission expires August 17, 1992

MERIDIAN OIL

To: Offset Owners/Operators

This is notification that Meridian Oil Inc. is seeking administrative approval for a non-standard location for the Huerfano Unit #302, located at 815'FNL, 1515'FWL, Section 31, T-27-N, R-10-W, San Juan County, New Mexico, due to topographic reasons.

A copy of the C-102 showing the location of this well and a topographic map are enclosed.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that you furnish the New Mexico Oil Conservation Division, PO Box 2088, Santa Fe, NM 87501 with a Waiver of Objection, and return one copy to this office.

Sincerely yours,

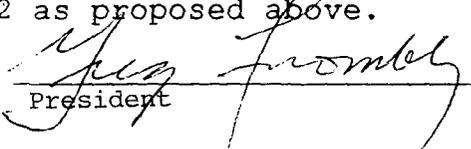


Peggy Bradfield

encl.

WAIVER

Bonneville Fuels Corporation hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Huerfano Unit #302 as proposed above.

By:  Date: July 30, 1991
President

xc: Parker & Parsley Pet., 600 W. Illinois, Ste#103, Midland, TX
Bonneville Fuels, 1600 Broadway, Ste 1110, Denver, CO