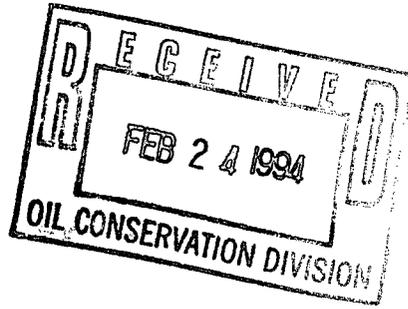


MERIDIAN OIL



February 22, 1994

Sent Federal Express

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

Re: Meridian Oil Inc. Johnston A Com #5
1405'FNL, 875'FEL, Section 32, T-26-N, R-6-W - Rio Arriba County, New Mexico
API # 30-039-25340

Dear Mr. LeMay:

Meridian Oil Inc. is applying for administrative approval of a non-standard location for the above location in both the Mesa Verde and Dakota formations. This application for the referenced location is due to terrain as shown on the topographic map and archaeology.

This well is planned as a Mesa Verde/Dakota dual, and application will be made to the New Mexico Oil Conservation Division to dual this well.

The following attachments are for your review:

1. Application for Permit to Drill.
2. Completed C-102 at referenced location.
3. Offset operators/owners plat and affidavit of notification..
4. 7.5 minute topographic map showing the orthodox windows for the north half dedication for both the Mesa Verde and Dakota, and enlargement of the map to define topographic features.
5. If the well were directionally drilled to a standard bottom hole location, the economics would be severely burdened due to the incremental directional drilling costs of \$150,000.

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

Sincerely,

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

Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Johnston A Com #5 as proposed above.

By: _____ Date: _____

xc: Robert L. Bayless
Merrion Oil & Gas
The Wiser Oil Company

Schedule to Applications
 District Office
 State Leases - 4 copies
 Fee Leases - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

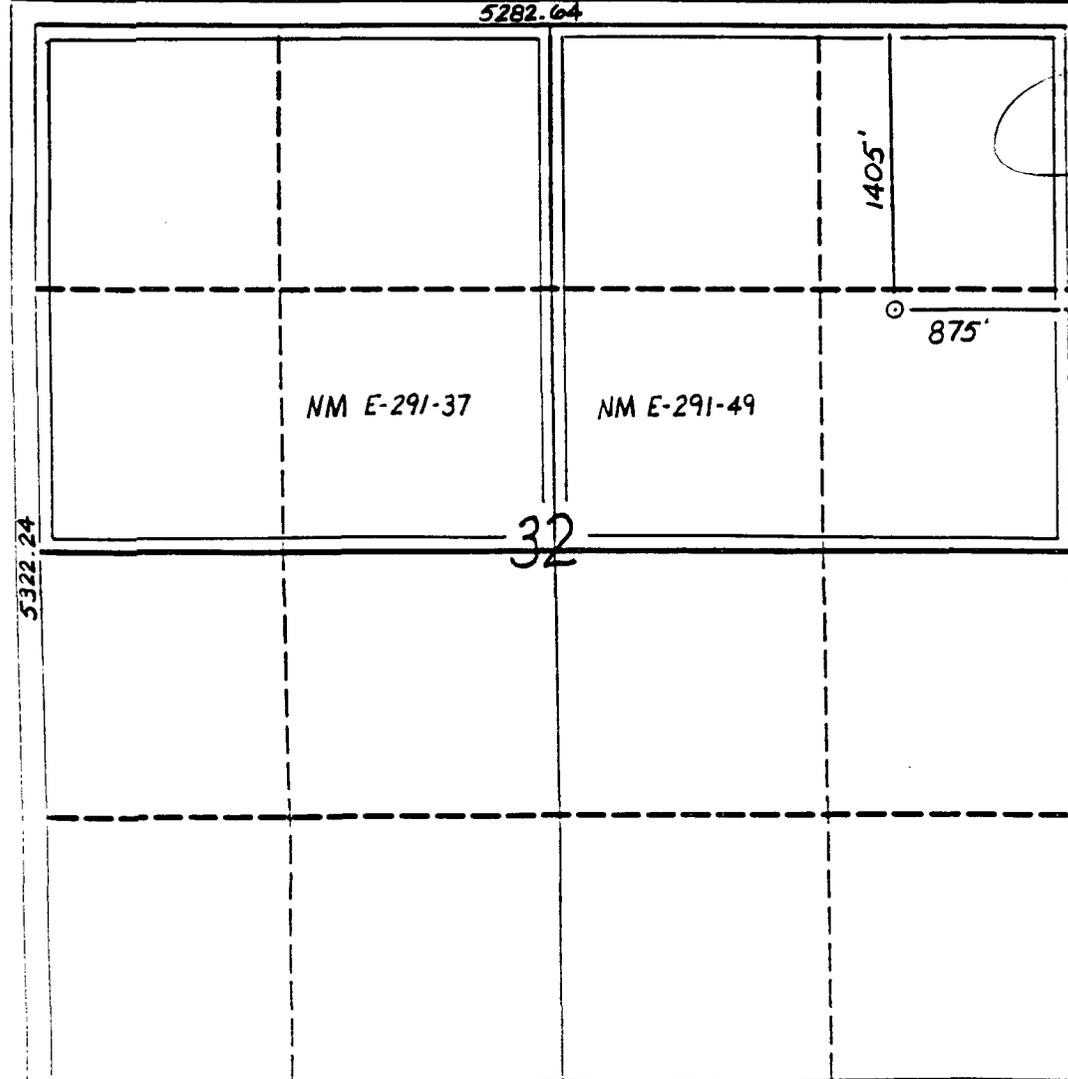
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer 00, Arama, 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 Johnston A Com		Well No. 5
Unit Letter H	Section 32	Township 26 North	Range 6 West	County RIO ARriba
Actual Footage Location of Well: 1405 feet from the North line and 875 feet from the East line				
Ground level Elev. 6713	Producing Formation Dakota/Mesa Verde	Pool Basin/Blanco	Dedicated Acreage 320/320 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or inkline marks on the plat below.</p> <p>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).</p> <p>3. 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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>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 unit, eliminating such interest, has been approved by the Division.</p>				



OPERATOR CERTIFICATION

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

Signature: *Peggy Bradfield*

Printed Name: Peggy Bradfield

Position: Regulatory Representative

Company: Meridian Oil Inc.

Date: 10-31-93

SURVEYOR CERTIFICATION

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: 9-29-93

Signature: *C. EDWARDS*

Professional Surveyor

Registration No. 8857

MERIDIAN OIL INC

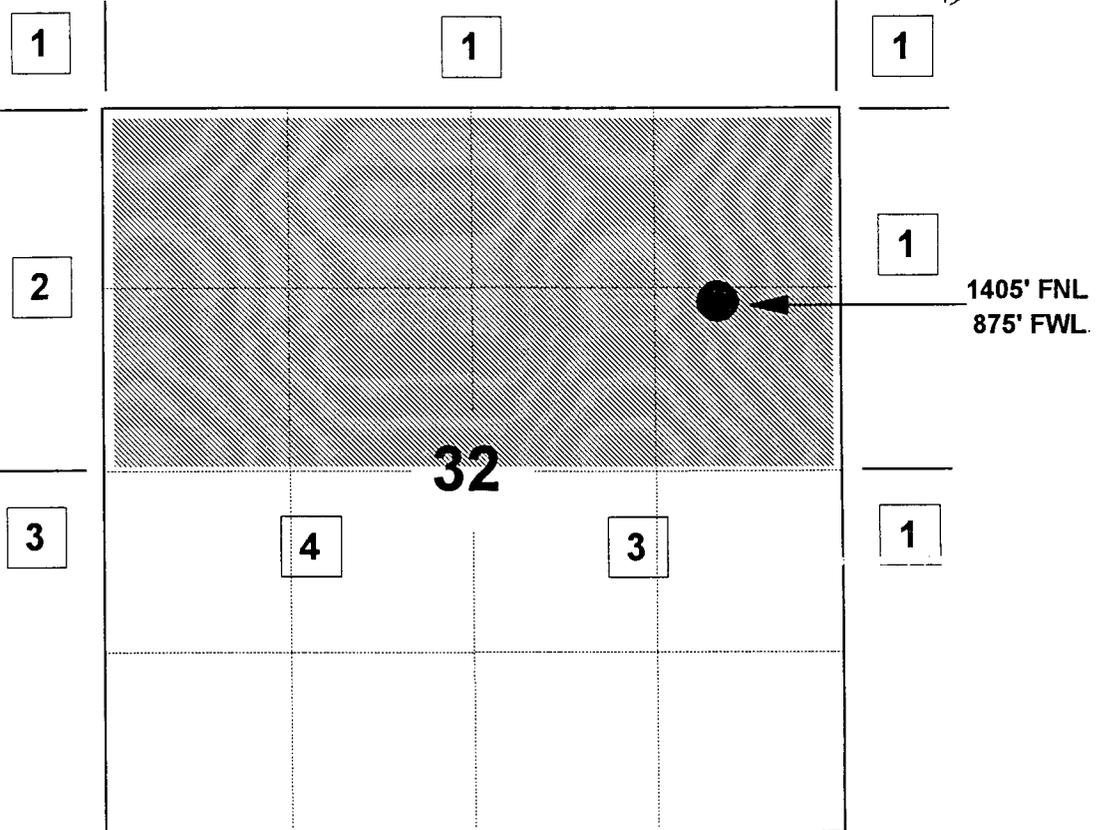
JOHNSTON A COM #5

OFFSET OPERATOR \ OWNER PLAT

Unorthodox Well Location

Township 26 North, Range 6 West

*Standard
640-acre
Section*



1) Meridian Oil Inc

2) Meridian Oil Inc.,

Robert L. Bayless PO Box 168, Farmington, NM 87499 &

Merrion Oil & Gas Corp. PO Box 840, Farmington, NM 87499

3) Robert L. Bayless & Merrion Oil & Gas Corp.

4) Meridian Oil Inc &

The Wiser Oil Company

PO Box 192, Sisterville, WV 26175

MERIDIAN OIL

Re: Meridian Oil Inc. Johnston A Com #5
1405'FNL, 875'FEL, Section 32, T-26-N, R-6-W - Rio Arriba County, New Mexico
API # 30-039-25340

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

Robert L. Bayless
PO Box 168
Farmington, NM 87499

Merrion Oil & Gas Company
PO Box 840
Farmington, NM 87499

The Wiser Oil Company
PO Box 192
Sisterville, WV 26175



Peggy A. Bradfield
San Juan County
State of New Mexico

My commission expires August 17, 1996

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'94 MAY 1 AM 8 39

February 22, 1994

Sent Federal Express

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

Re: Meridian Oil Inc. Johnston A Com #5
1405'FNL, 875'FEL, Section 32, T-26-N, R-6-W - Rio Arriba County, New Mexico
API # 30-039-25340

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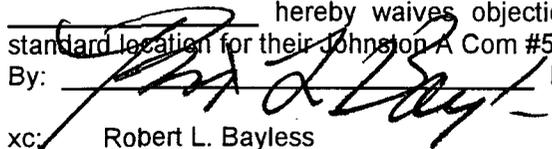
A copy of this application is being submitted to all offset owners/ operators by certified mail with a request that they furnish you with a Waiver of Objection, and return one copy to this office.

Sincerely,


Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Johnston A Com #5 as proposed above.

By:  Date: 2-28-94

xc: Robert L. Bayless
Merrion Oil & Gas
The Wiser Oil Company

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'94 MAR 22 AM 8 39

NSL-3367

February 22, 1994

Sent Federal Express

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

Re: Meridian Oil Inc. Johnston A Com #5
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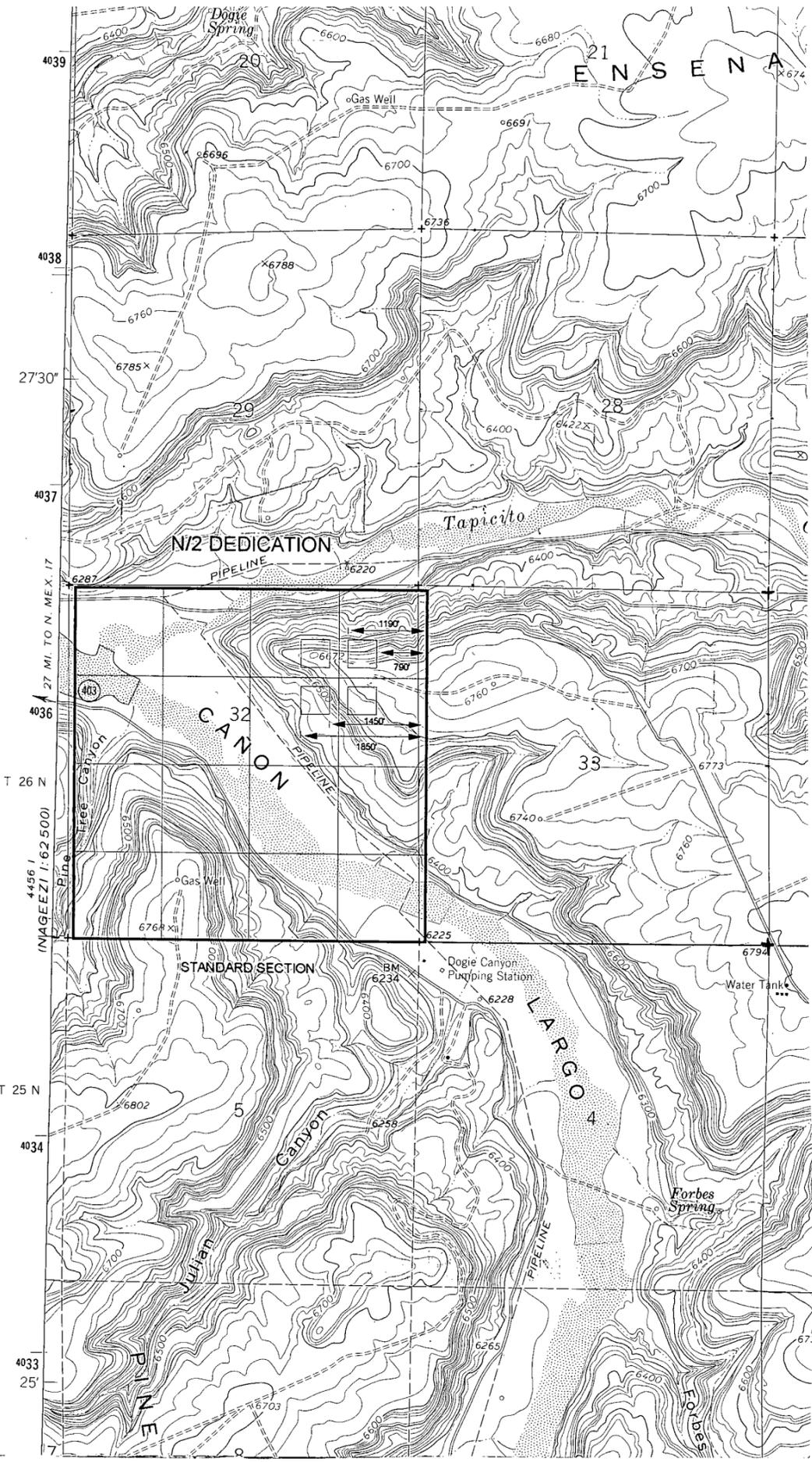
Peggy Bradfield
Regulatory/Compliance Representative
encs.

WAIVER

MERRION OIL & GAS hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Johnston A Com #5 as proposed above.

By: *Greg Merriam* Date: *3-18-94*

xc: Robert L. Bayless
Merrion Oil & Gas
The Wiser Oil Company



Spring

E N S

4039

Gas Well

6691

6695

6736

4038

6788

27'30"

6785

29

28

4037

Tapicito

PIPELINE

6220

6287

6300

6400

4036

Tree Canyon

CANON

PIPELINE

6672

6500

38

4456.1
INAGEEZI 1:625001

Pine

Gas Well

6225

BM
6234

Dogie Canyon
Pumping Station

6226

LARGO

