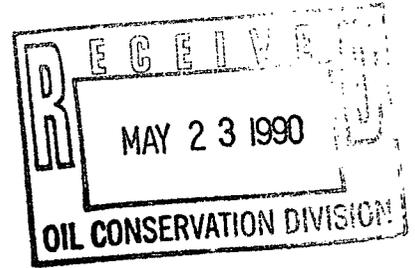


MERIDIAN OIL

May 22, 1990



Certified Mail

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

RE: Hargrave #1
990'FSL, 990'FEL
Section 04, T-27-N, R-10-W
San Juan County, New Mexico

Dear Mr. LeMay:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

Meridian Oil intends to plugback and recomplete the Hargrave #1 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 990'FSL, 990'FEL, Section 04, T-27-N, R-10-W, San Juan County, New Mexico. The well is considered non-standard due to the NE-SW dedicated pattern established for the Basin Fruitland Coal Pool. To comply with the New Mexico Oil Conservation Division rules, Meridian is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Affidavit of notification of offset owners/operators;
4. Copy of Well Completion Log for original completion.

A copy of this application is being submitted to all offset owners/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.

Sincerely yours,

Peggy Bradford
encl.

WAIVER

_____ hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Hargrave #1 as proposed above.

By: _____ Date: _____

xc: Amoco Production Company
Mesa Limited Partnership
Damson Oil Corporation

Hargrave #1
990'FSL, 990'FEL
Section 04, T-27-N, R-10-W
San Juan County, New Mexico

I hereby certify that the following offset owners/operators have been mailed notification of our application for administrative approval for non-standard gas well location for the plugback and recompletion of the above well.

Amoco Production Company
P.O. Box 800
Denver, CO 80201

Mesa Limited Partnership
P.O. Box 2009
Amarillo, TX 79189-2009

Damson Oil Corporation
P.O. Box 4391
Houston, TX 77210



Peggy Bradford
May 22, 1990

San Juan County
State of New Mexico

My commission expires August 17, 1992

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 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 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

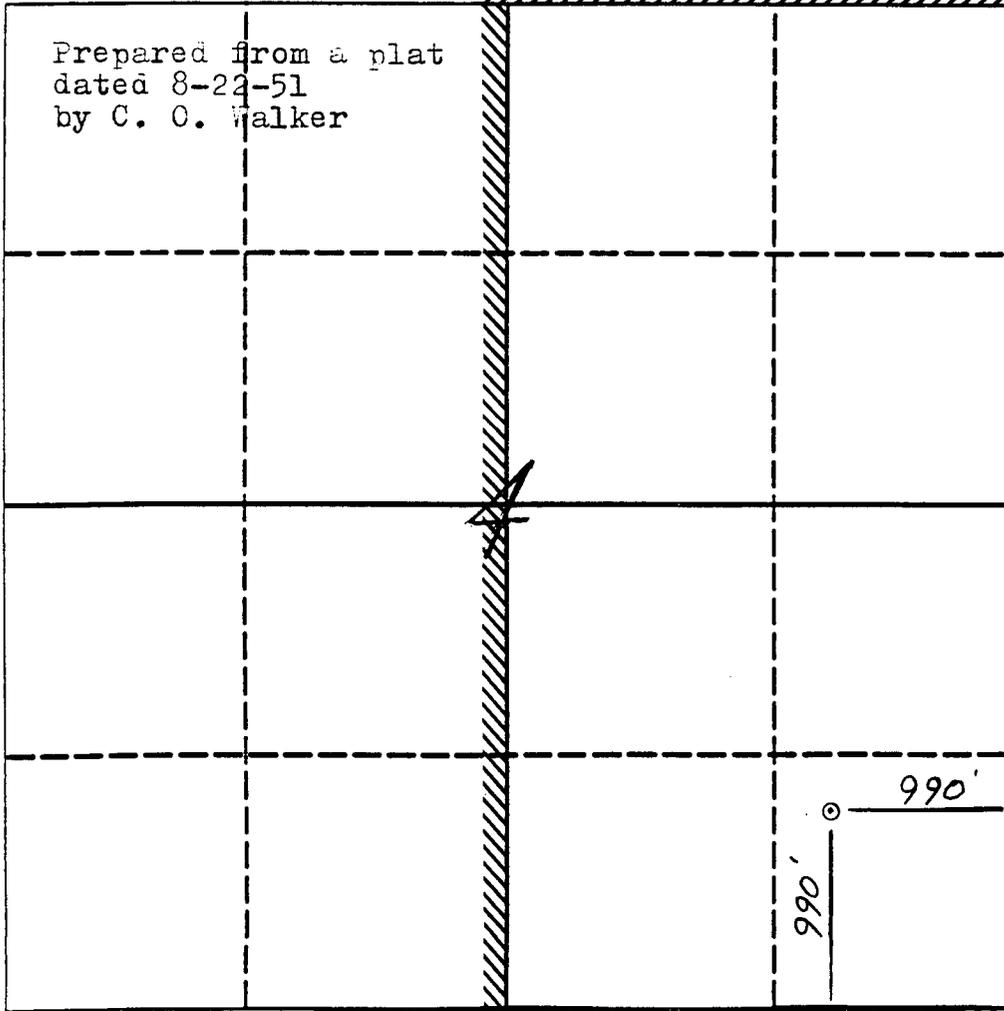
Operator Meridian Oil Inc.		Lease Hargrave (SF-077382)		Well No. 1
Unit Letter P	Section 4	Township 27 North	Range 10 West	County San Juan
Actual Footage Location of Well: 990 feet from the South line and 990 feet from the East line				
Ground level Elev. 6179'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks 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 communitization agreement will be obtained

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 interest, has been approved by the Division.



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
Regulatory Affairs

Position
Meridian Oil Inc.

Company

Date

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
5-9-90

Signature of Professional Surveyor
Neale G. Edwards

Professional Seal
NEW MEXICO
6857
REGISTERED LAND SURVEYOR

Certificate No.
Neale G. Edwards

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

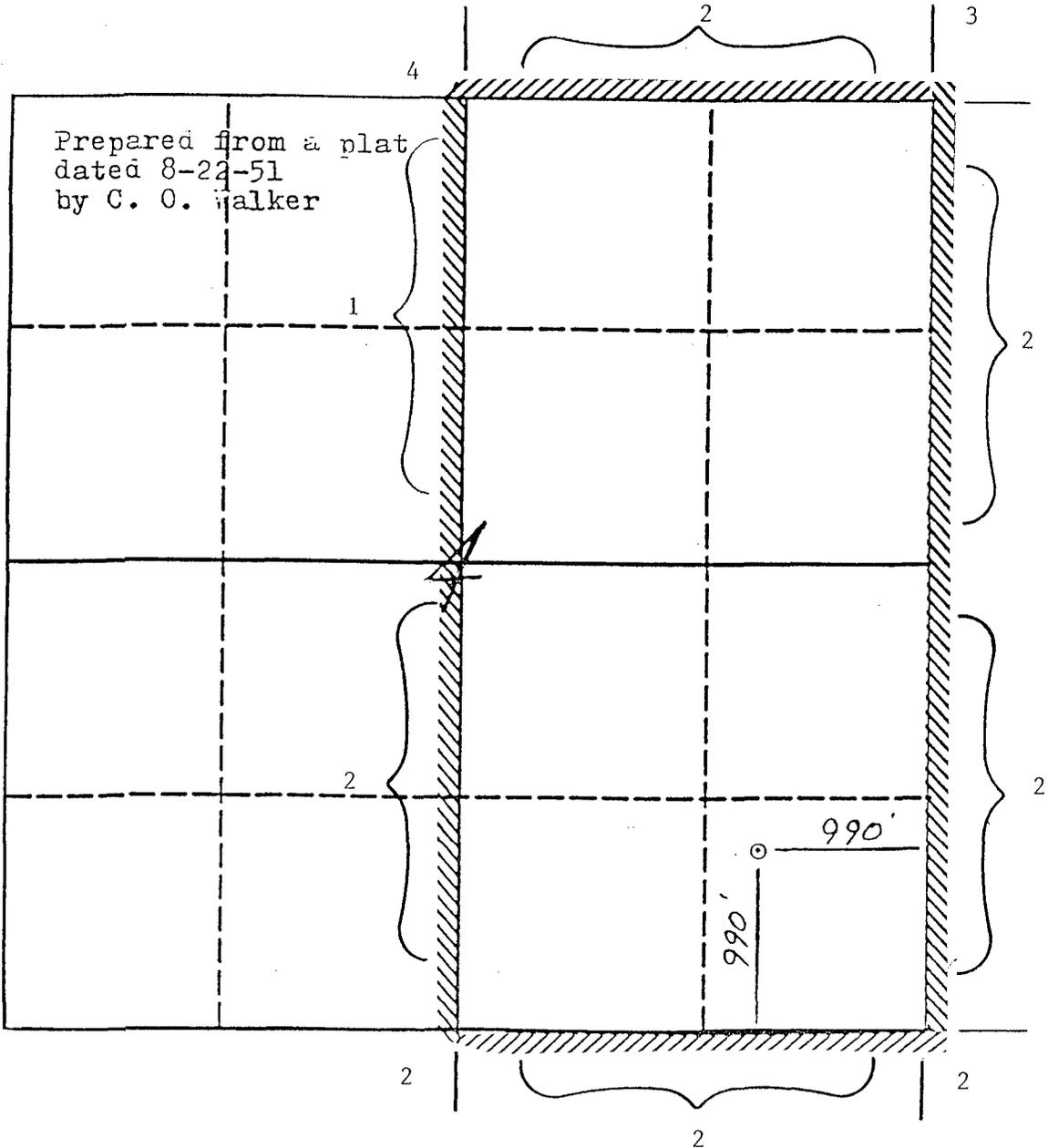
MERIDIAN OIL INC

Well Name Hargrave #1

Footage 990' FSL; 990' FEL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 4 Township 27N Range 10W



Remarks 1) Meridian Oil Inc.
2) Amoco Production Company
3) Mesa Limited Partnership
4) Damson Oil Corporation

MERIDIAN OIL

OIL CONSERVATION DIVISION
RECEIVED

'90 JUN 13 AM 8 35 May 22, 1990

Certified Mail

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

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990'FSL, 990'FEL
Section 04, T-27-N, R-10-W
San Juan County, New Mexico

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Sincerely yours,



Peggy Bradfield
encl.

WAIVER

Mesa Operating Limited Partnership hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their Hargrave #1 as proposed above.

By: Mark W. Seale Date: 6/11/90

xc: Amoco Production Company
Mesa Limited Partnership
Damson Oil Corporation