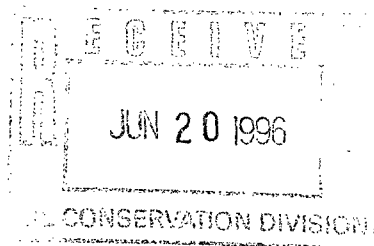


MERIDIAN OIL



June 10, 1996

New Mexico Oil Conservation Division
Attention: Frank T. Chavez - NMOCD/Aztec
1000 Rio Brazos Rd.
Aztec, NM 87410-1693

RE: San Juan 32-9 Unit #37A
(PC/Mesaverde)Commingle
Unit J, 32-T32N-R09W
San Juan County, New Mexico
Downhole Commingling Allocation

Dear Mr. Chavez:

Meridian Oil Inc. has applied for administrative approval to downhole commingle the above referenced well in the Pictured Cliffs and Mesaverde formations. All pertinent commingling data was previously sent in on 5/10/1996 for this newly drilled well.

Pending downhole commingling approval and receipt of the order from NMOCD - Sante Fe, the production from the well will be allocated as attached.

Sincerely,

James A. Smith
Senior Engineer

JAS:jas

Attachments

cc: Mr. William LeMay - NMOCD/Sante Fe
Peggy Bradfield - MOI Regulatory
Alan Alexander - MOI Land
Bureau of Land Management
Well File

PRODUCTION ALLOCATION FORMULA METHOD

**San Juan 32-9 Unit #37A
(PC/Mesaverde)Commingle
Unit J, 32-T32N-R09W
San Juan County, New Mexico**

Allocation Formula Method:

A Perforation Efficiency Log was run on this well to determine individual zone contribution on 5/16/96. At this time the well had a pitot gauge of 1,150 MCF/D.

Results of the log yielded the following results:

Pictured Cliffs Contribution - 25% (288 MCF/D)

Mesa Verde Contribution - 75% (862 MCF/D)

PRODUCTION ALLOCATION:

Pictured Cliffs 25%

Mesaverde 75%