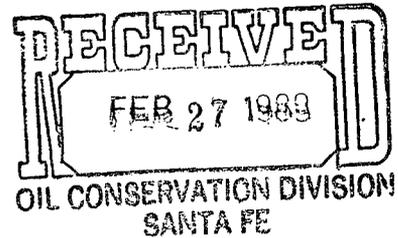


MERIDIAN OIL

February 25, 1989

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504



Dear Mr. LeMay:

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

It is intended to locate the Southland Royalty Company's Reid #704 at 1055' from the North line and 475' from the East line of Section 19, T-28-N, R-9-W, San Juan County, New Mexico.

The terrain, location of pipelines and other wells makes this location necessary.

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 19, along with an ownership plat, are attached.

Sincerely yours,

Peggy Bradfield

encl.

WAIVER

_____ hereby waives objection to Southland Royalty Company's application for an unorthodox location for their Reid #704 as proposed above.

By: _____ Date: _____

xc: Tenneco Oil Company

cc to E. Busch 3/1/89

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Post Office Box 2088
Santa Fe, New Mexico 87504

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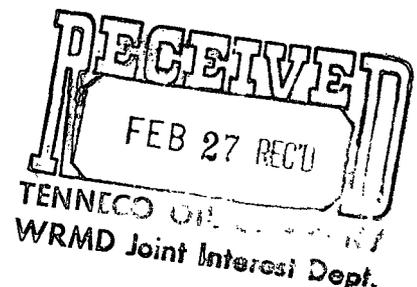
WAIVER

_____ hereby waives objection to Southland Royalty Company's application for an unorthodox location for their Reid #704 as proposed above.

By: _____

Date: 3/29/89

xc: Tenneco Oil Company



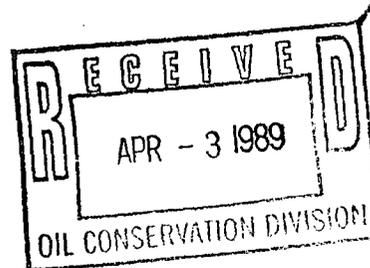


Amoco Production Company

Southern Division
1670 Broadway
P.O. Box 800
Denver, Colorado 80201
303-830-4040

T. D. Autry
Division Production Manager

March 28, 1989



New Mexico Oil Conservation Division
310 Old Santa Fe Trail Road
Santa Fe, New Mexico 87504

Attention: Mr. William LeMay

Waiver of Objection
Unorthodox Locations
Meridian Oil Inc.
San Juan County, NM

This is in response to Meridian's request for Waiver of Objection to three unorthodox well locations in the Basin Fruitland Coal Pool.

Enclosed are copies of Meridian's waiver requests, approved by Amoco Production Company, successor in interest to Tenneco Oil Company, for the following wells:

<u>Well Name</u>	<u>Location</u>	<u>Waiver Request</u>
Reid #704	NE-19-28N-9W	Unorthodox location
Reid #705	SW-19-28N-9W	Unorthodox location
Hanks #230	SW-7-27N-9W	Unorthodox location

WRJ
JLS/oad

Enclosure

cc:
Meridian Oil Inc.

89006.JLS

NSL-2642

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

Operator Southland Royalty Company		Lease Reid (NM-01772A)		Well No. 704
Unit Letter A	Section 19	Township 28 North	Range 9 West	County San Juan
Actual Footage Location of Wells 1055 feet from the North line and 475 feet from the East line				
Ground Level Elev. 5810'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 301.72 Acres	

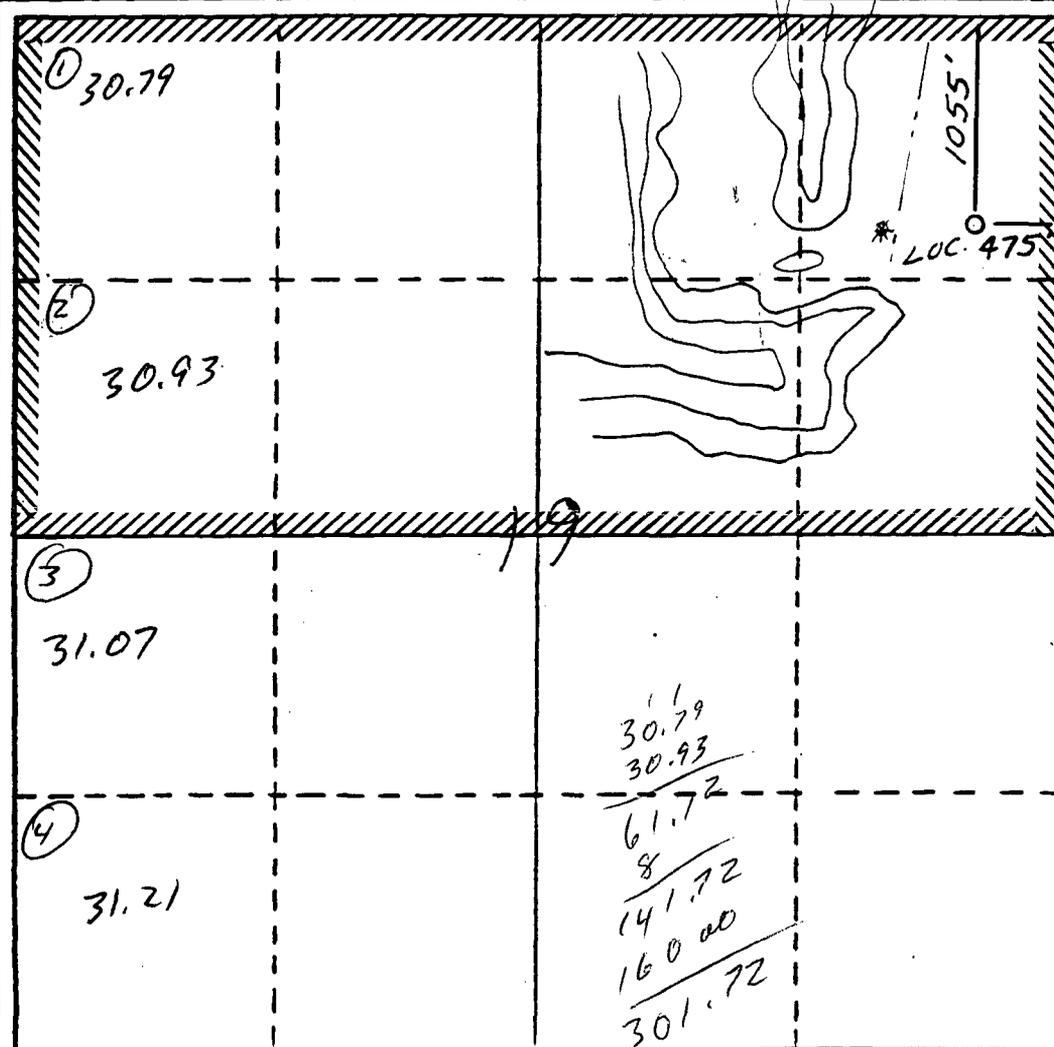
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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

* Note: Non-standard due to terrain and pipelines.



CERTIFICATION

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

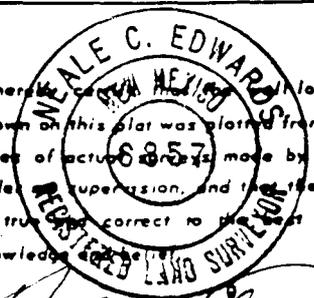
Name
Regulatory Affairs

Position
Southland Royalty Co.

Company

Date

I hereby certify that the 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.

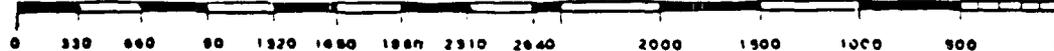


Date Surveyed
11/27/88

Registered Professional Engineer
and/or Land Surveyor

Neale C. Edwards

Certificate No.
6857



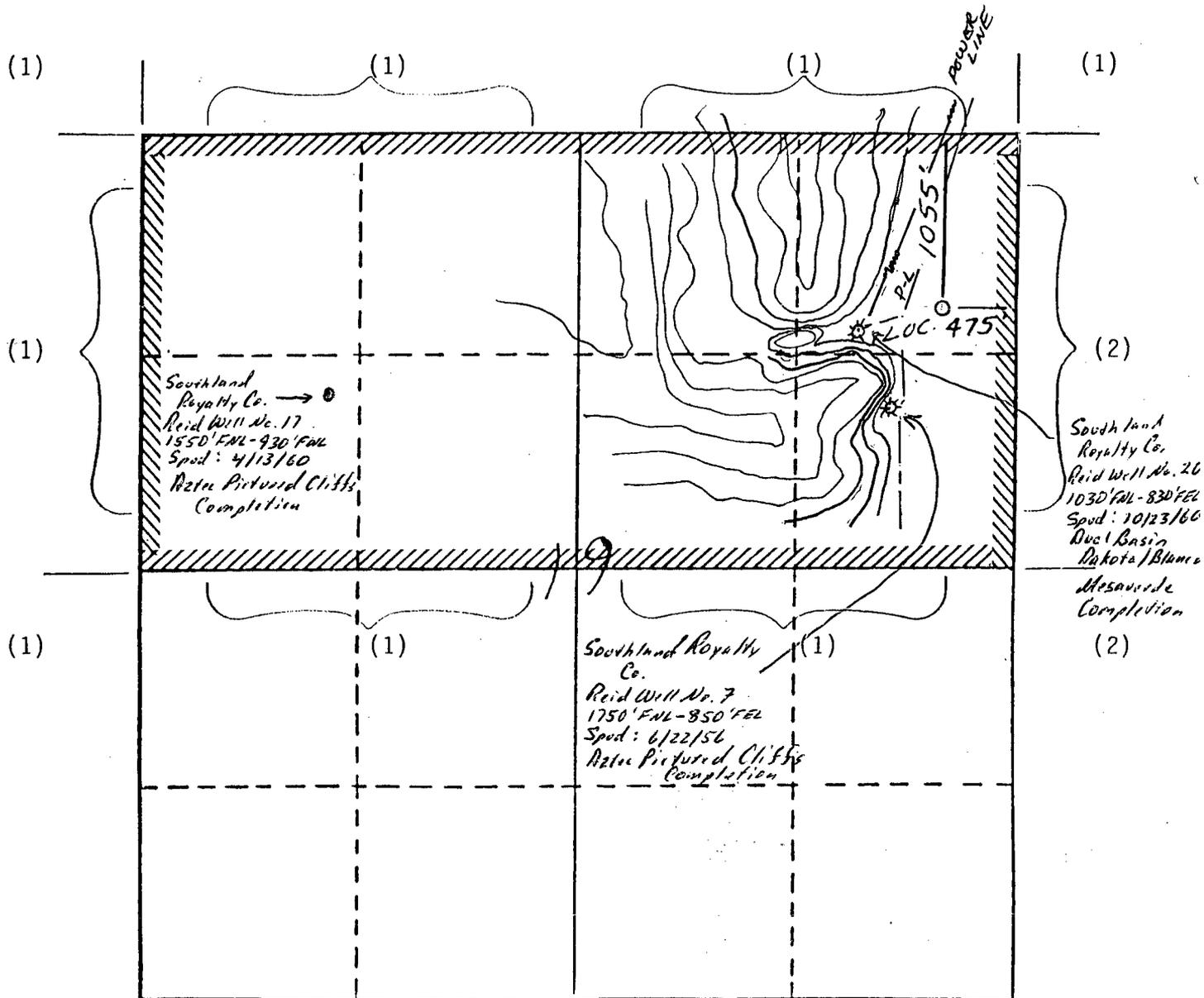
SOUTHLAND ROYALTY CO.

Well Name Reid #704, Fruitland Coal

Footage ---- 1055' FNL; 475' FEL

APPLICATION FOR NON-STANDARD LOCATION

County San Juan State New Mexico Section 19 Township 28N Range 9W

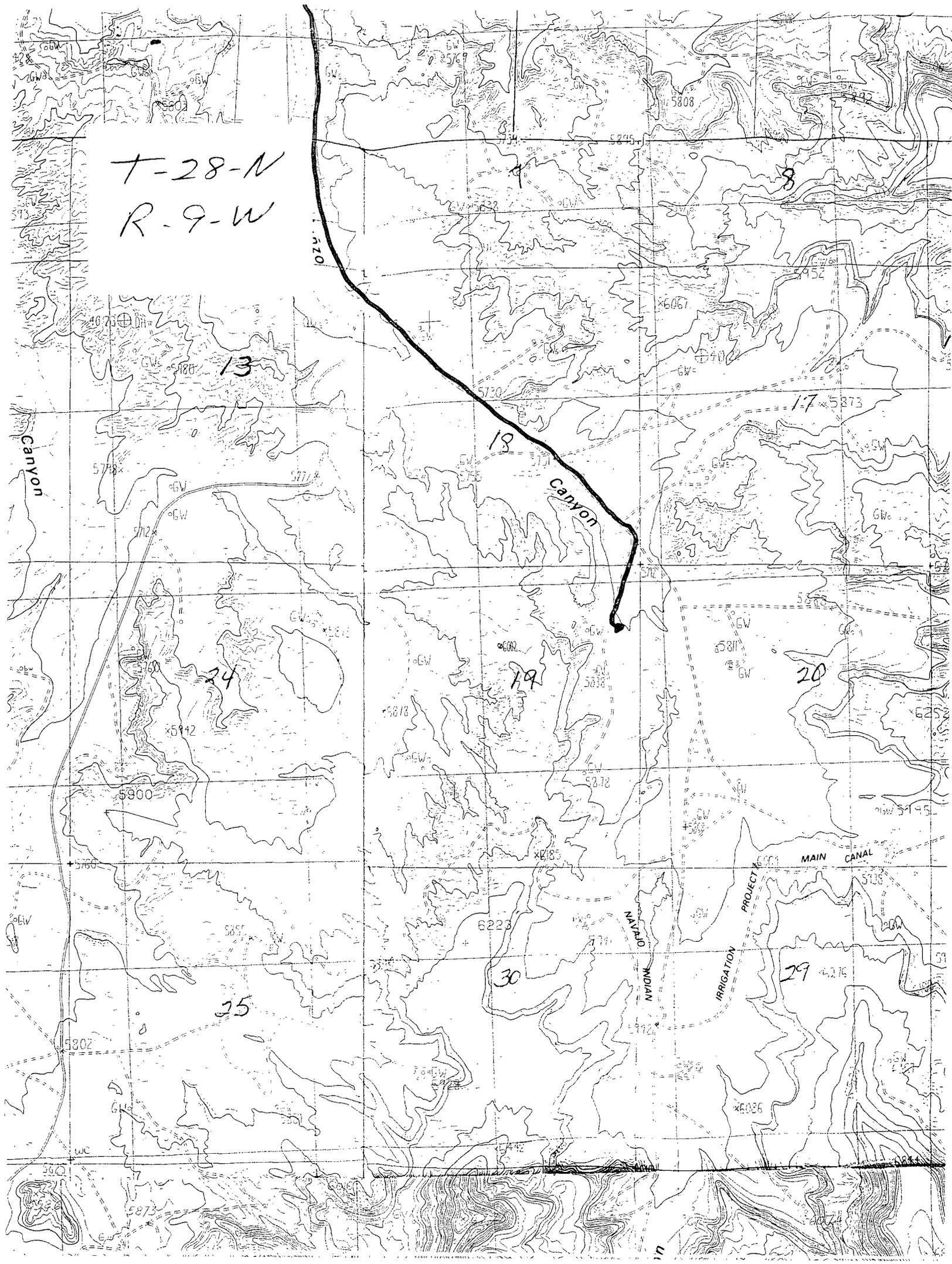


REMARKS: OFFSET OPERATORS:

(1) Southland Royalty Company

(2) Tenneco Oil Company

T-28-N
R-9-W





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 3-10-89

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

RECEIVED
MAR 13 1989
OIL CONSERVATION DIVISION
SANTA FE

Gentlemen:

I have examined the application dated 3-2-89

for the Meridian Oil Inc. Reid #704 A-19-28K-9W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

[Signature]