

July 17, 1995

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
WORKING INTEREST OWNERS
(SEE LIST BELOW)

RE: MESAVERDE RECOMPLETION
ARCO HILL #1
SW/4 NE/4 (E/2) SECTION 22, T25N, R03W
RIO ARriba COUNTY, NEW MEXICO

Gentlemen:

Meridian Oil Inc., hereby proposes to recomplete the referenced Dakota well to the Mesaverde formation at an estimated cost of \$226,610.00. Meridian has a 100% working interest in the existing Dakota well. Our records indicate the Mesaverde formation is owned as follows:

WORKING INTEREST OWNER	WORKING INTEREST	ESTIMATED SHARE
1. Meridian	50.00000%	\$113,306.00
2. Hooper, Kimball & Williams Inc.	16.66666%	\$ 37,768.00
3. Ibex Partnership	7.80437%	\$ 17,685.00
4. PC. Ltd.	7.80437%	\$ 17,685.00
5. Mabel Reed, Trustee of the Warren Clark Trust.	0.40690%	\$ 922.00
6. Carolyn Clark Trust	0.43742%	\$ 991.00
7. Mabel Reed and W.W. Oatman, Co-Trustee of the Warren Clark Testamentary Trust	0.21362%	\$ 484.00
8. RB Operating Company.	0.16666%	\$ 378.00
9. Ramco-NYL 1987 Limited Partnership	16.50000%	\$ 37,391.00
TOTAL	100.00000%	\$226,610.00

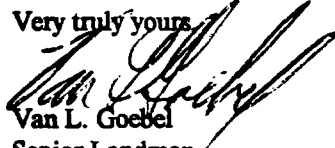
Enclosed for your execution is a Joint Operating Agreement covering the proposed Mesaverde recompletion. Please note that the Joint Operating Agreement (Page 14) has been amended to provide for a non-consent election on this initial well as provided for under Article VI B2 which provides for operations by less than all parties. Should you elect not to participate in this project, please so advise and execute the Joint Operating Agreement as to avoid going to a Forced Pooling Hearing. Since the Mesaverde is not currently covered by an Operating Agreement we will start the necessary procedures to schedule a Force Pooling Hearing.

If you approve or disapprove of our proposal, please evidence such by signing and returning the following:

1. One (1) copy of this Letter Ballot.
2. One (1) copy of the attached Authority for Expenditure.
3. One (1) additional copy of the signature page for the enclosed Joint Operating Agreement.

It would be appreciated if you could let me know your election, as soon as possible. If I can be of further assistance, please call me at (505)326-9759.

Very truly yours,


Van L. Goebel
Senior Landman

VLG:dg
Enclosures
NM-4872
cc: A.G. Hill

Please make your election below:

1. On this _____ day of _____ 1995, we do hereby agree to bear our proportionate share as correctly shown above of the actual costs of recompleting the referenced well.

Company: _____

By: _____

Title: _____

2. On this _____ day of _____ 1995, we do hereby elect to go non-consent as provided for in the enclosed Operating Agreement dated July 17, 1995, in the proposed recompletion of the referenced well.

Company: _____

By: _____

Title: _____

August 1, 1995

**WORKING INTEREST OWNERS
(SEE ATTACHED LIST)**

**RE: MESAVERDE RECOMPLETION
ARCO HILL #1
SW/4 NE/4 (E/2) SECTION 22, T25N, R03W
RIO ARRIBA COUNTY, NEW MEXICO**

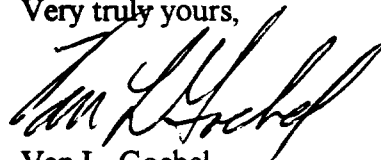
Gentlemen:

In our letter dated July 17, 1995, Meridian proposed the referenced Dakota well be recompleted in the Mesaverde formation. We realize that you did not participate in the drilling of this Dakota well and may not have access to well information. To help you in your evaluation of our proposal please find enclosed the following information:

1. Dual Induction Focused Log
2. Neutron Gamma Ray Log
3. Perforate Record
4. Cement Bond Log

If I can be of further assistance, please call me at (505)326-9759.

Very truly yours,



Van L. Goebel
Senior Landman

VLG:dg
Enclosures
NM-4872

WORKING INTEREST OWNER LIST

RB Operating Company
Two Warren Place, Suite 1700,
6120 South Yale
Tulsa, OK 74136

Hooper, Kimball & Williams, Inc.
P.O. Box 620970
Tulsa, OK 74152

IBEX Partnership, Ltd.
P.O. Box 911
Breckenridge, TX 76424-0911

PC, Ltd.
P.O. Box 911
Breckenridge, TX 76424

Warren Clark
c/o Mabel Reed, Trustee
P.O. Box 1846
Austin, TX 78767

Mabel Reed & W. W. Oatman, Co-Trustees of
the Warren Clark Testamentary Trust
P.O. Box 1846
Austin, TX 78767

Carolyn Clark Oatman
P.O. Box 1846
Austin, TX 78767

Ramco-NYL 1987 Limited Partnership
5100 Skelly Dr., Suite 650
Tulsa, OK 74135-6549