

January 10, 1994

MERIDIAN OIL INC.

P.O. BOX 51810

MIDLAND, TEXAS 79710-1810

(915) 688-6800

FAX NO. (915) 688-6010

Mr. Tom Kellahin
117 N. Guadalupe
Santa Fe, New Mexico 87504 - 2265

Dear Tom,

Please find enclosed the historical production (graphical form) on each of the individual wells on the State "DS" lease in the Spencer San Andres Pool. The cumulative production for each of the wells is posted on the plot.

Along with the individual well production, I am also including a plot of the total historical production for the entire lease. This total plot also includes the number of wells producing versus time and the total lease gas production. The number of wells that were reported to be producing at a particular time period is highlighted in yellow. The graphical plot demonstrates the declining well count with time along with the declining oil production. I have also included a plot with my projected remaining reserves on the total lease curve.

If you have any questions, please call me at (915) 688-6850.

M. P. Gaddis

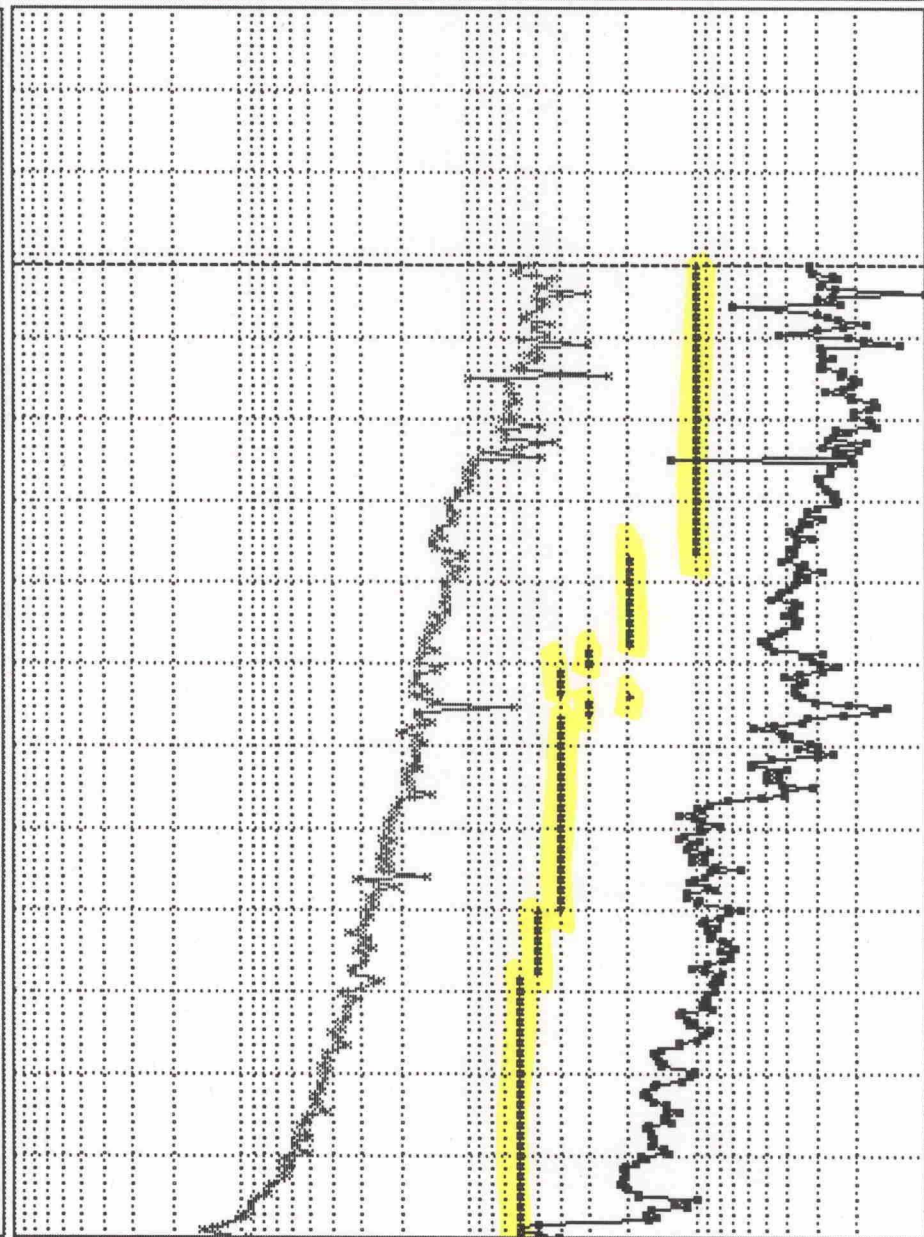
M. P. Gaddis

Mike -
ATTACHED IS THE
SUPPLEMENTAL DATA
FOR CASE 10891

STATE DS LEASE 1

Prop: 14

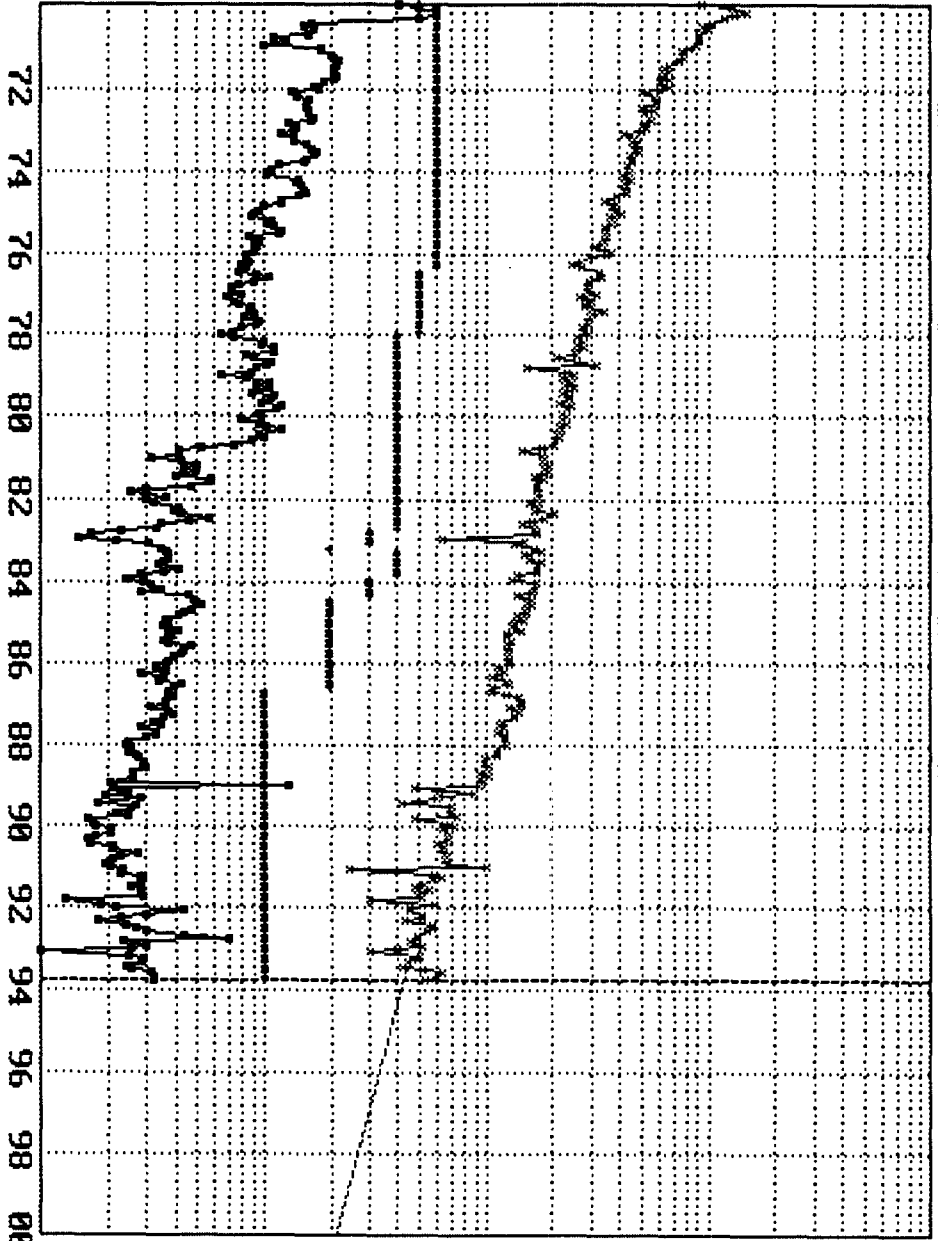
OIL
Bbl/m



72 74 76 78 80 82 84 86 88 90 92 94 96 98 00 Major=OIL

↑ #6
↑ #7
↑ #5
↑ #4
↑ #1
↑ #2

.1 1 10 100 • NO_WELLS
 100 1000 10000 100000 • GAS
 10 100 1000 10000 * OIL



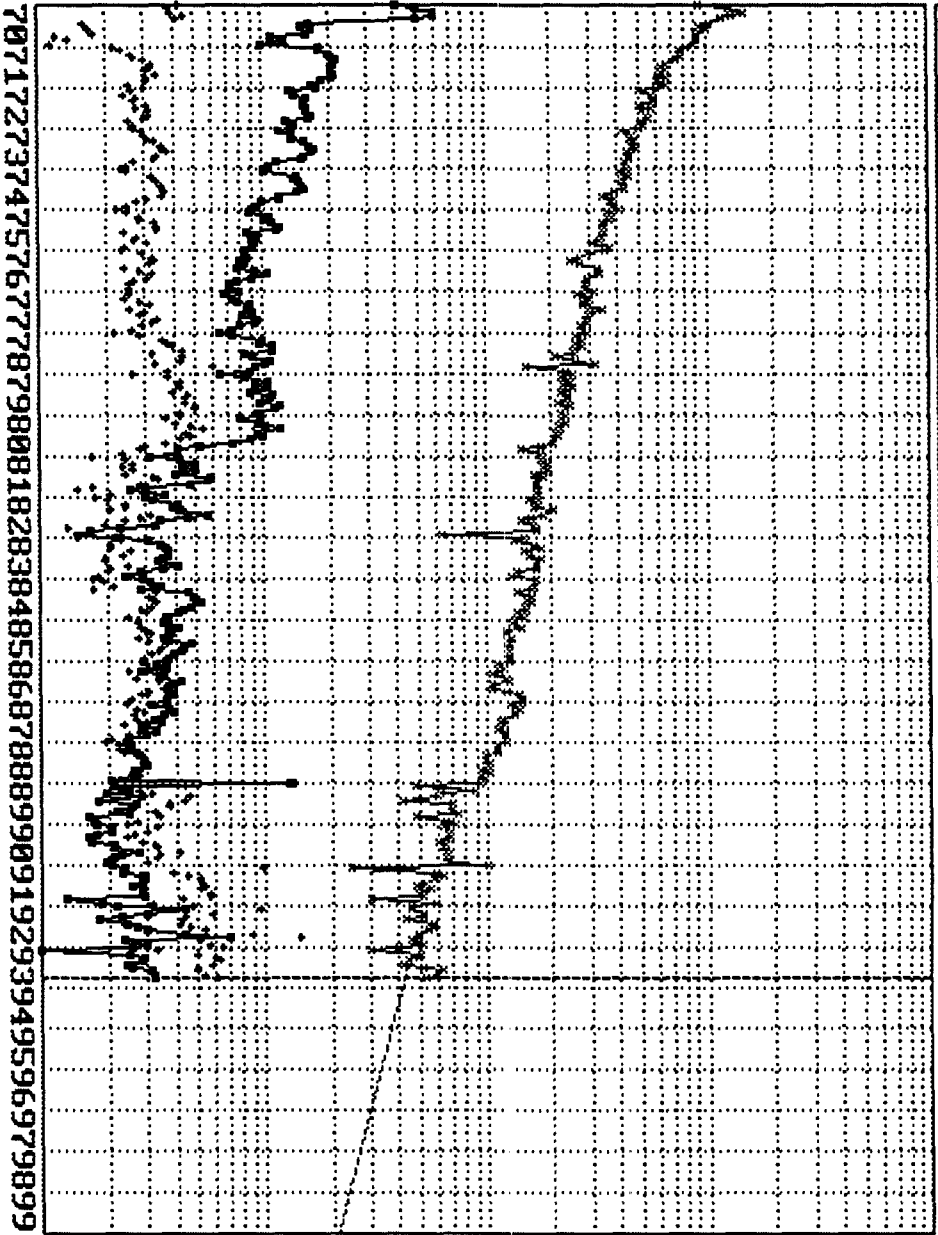
STATE DS LEASE : :

Prop : 14

OIL	
Bbl/m	814323
EUR=	11/93
Ref=	778718
Cum=	422.0
q =	.0000
n =	10.600
De=	90.0
Qab=	35605
Rem=	13.833
Yrs=	420.1
Qmo=	.0
Act=	

00 Major=OIL

100 1000 10000 100000 • GAS/OIL
 100 1000 10000 100000 • GAS
 10 100 1000 10000 * OIL



STATE DS LEASE : :		Prop: 14
OIL		
Bbl/m		
EUR=	814323	
Ref=	11/93	
Cum=	778718	
q =	422.0	
n =	.0000	
De=	10.600	
qab=	90.0	
Rem=	35605	
Yrs=	13.833	
Qmo=	420.1	
Act=	.0	

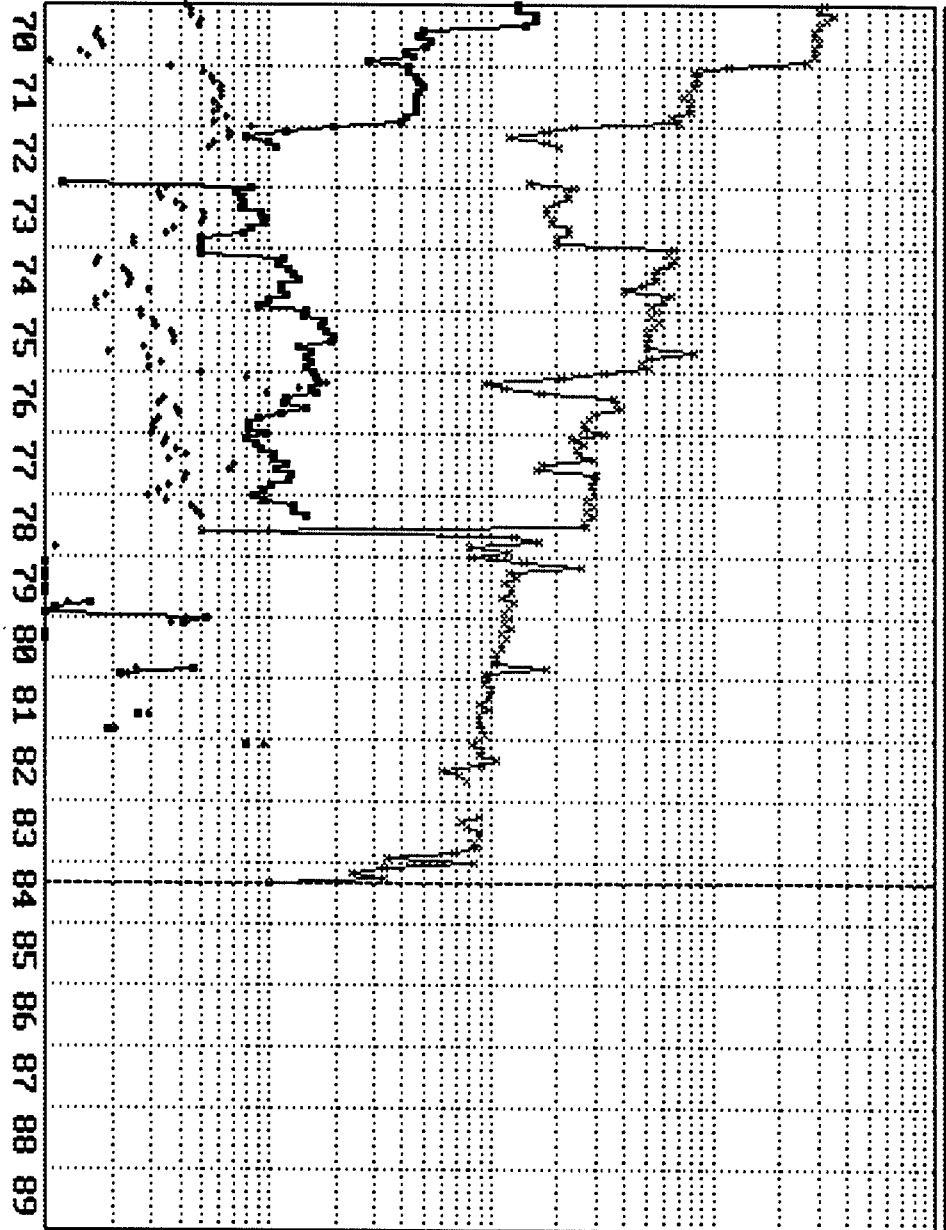
Major=OIL

707172737475767778798081828384858687888990919293949596979899

STATE DS : 000001 : 150-025-17S36E24

Prop : 9

100	1000	10000	100000	* GAS/OIL
10	100	1000	10000	* GAS
1	10	100	1000	* OIL



OIL
Bbl/m

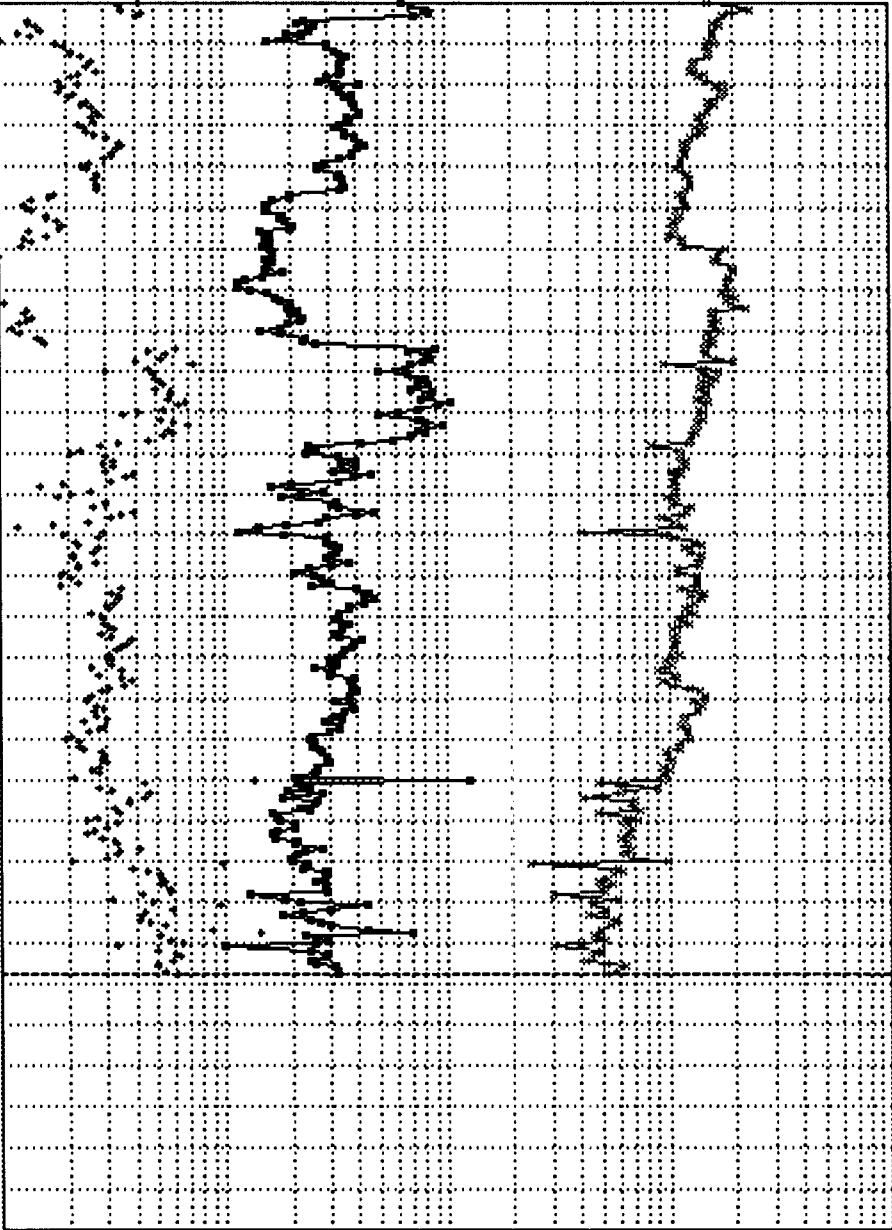
Major=OIL

cums:
 92,280 STBO
 30,098 HCF
 120,129 BW

100 1000 10000 100000 * GAS/OIL
 10 100 1000 10000 * GAS
 1 10 100 1000 * OIL

STATE DS : 000002 : 150-025-17S36E24

Prop : 6



707172737475767778798081828384858687888990919293949596979899

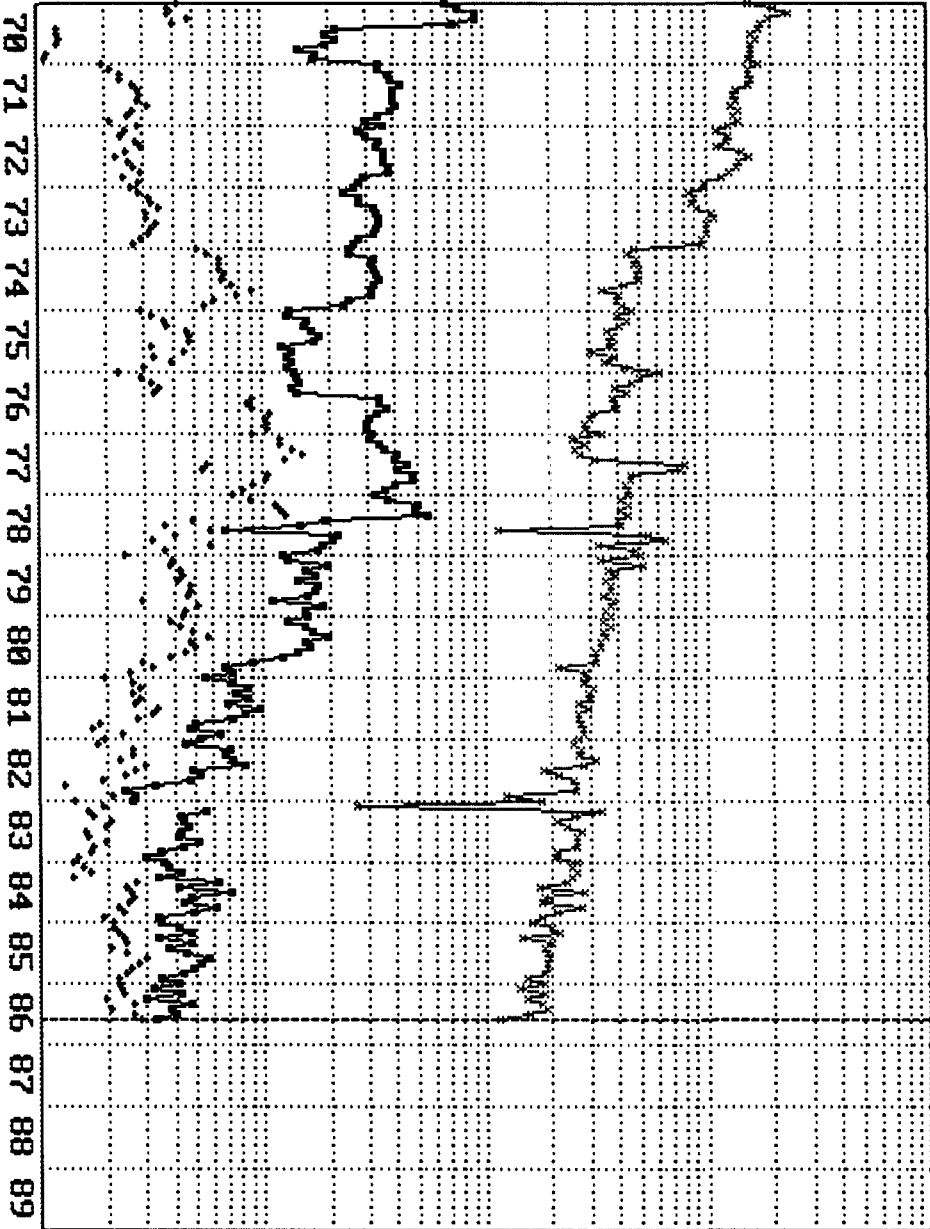
Major=OIL

OIL
Bbl/m

CUMS:
 351,066 STBO
 100,561 MCF
 1,075,710 BW

100000 • GAS/OIL
 10000 • GAS
 1000 • OIL
 1000 1000 1000
 100 100 100
 10 10 10
 100 10 1

STATE DS : 000004 : 150-025-17S36E24



Prop : 7

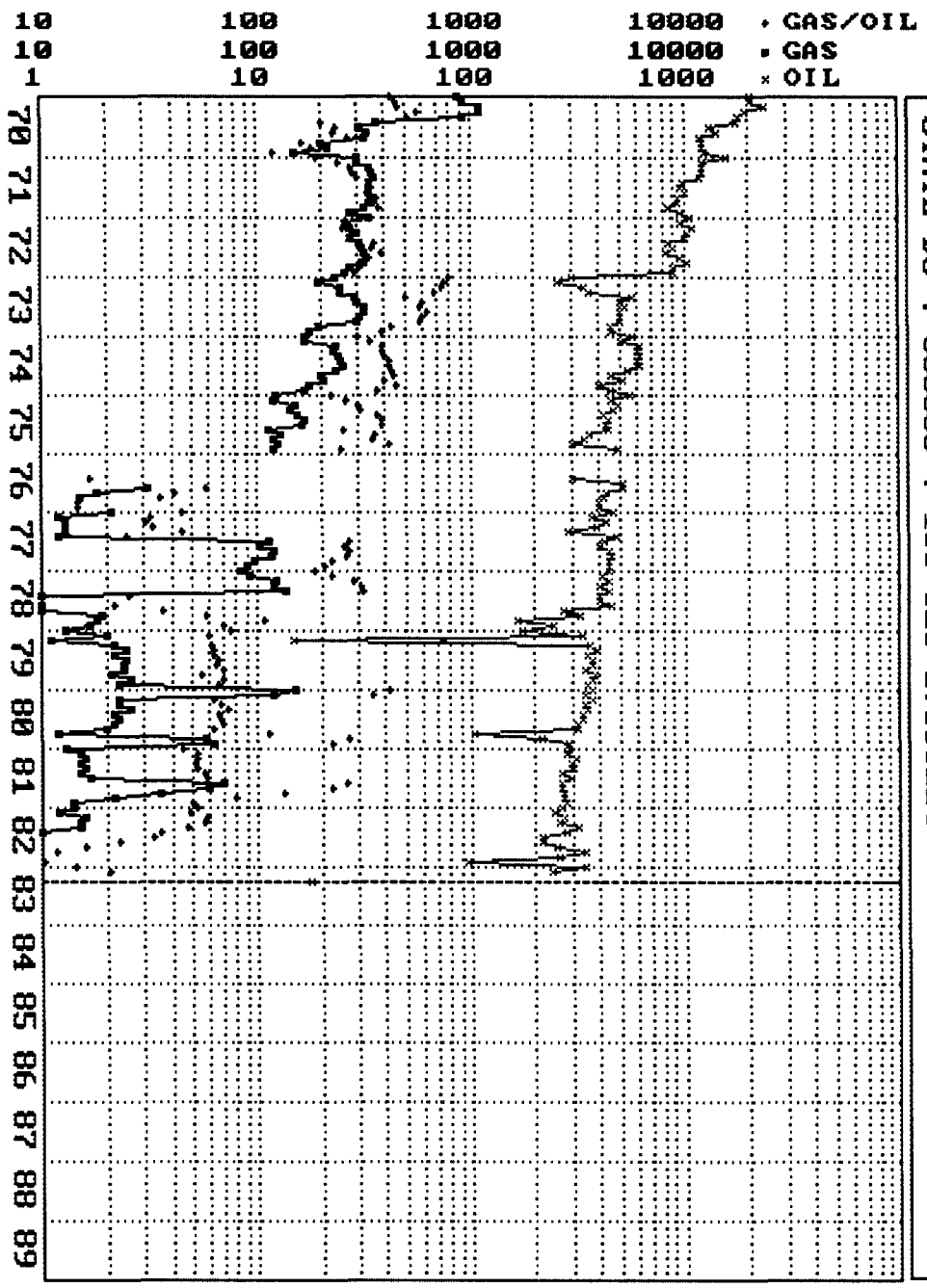
OIL
Bbl/m

Major=OIL

CUMMS:
 119,984 STBO
 41,408 HCF
 272,463 BW

STATE DS : 000005 : 150-025-17S36E24

Prop : 8



OIL
Bbl/m

Major=OIL

CUMS:

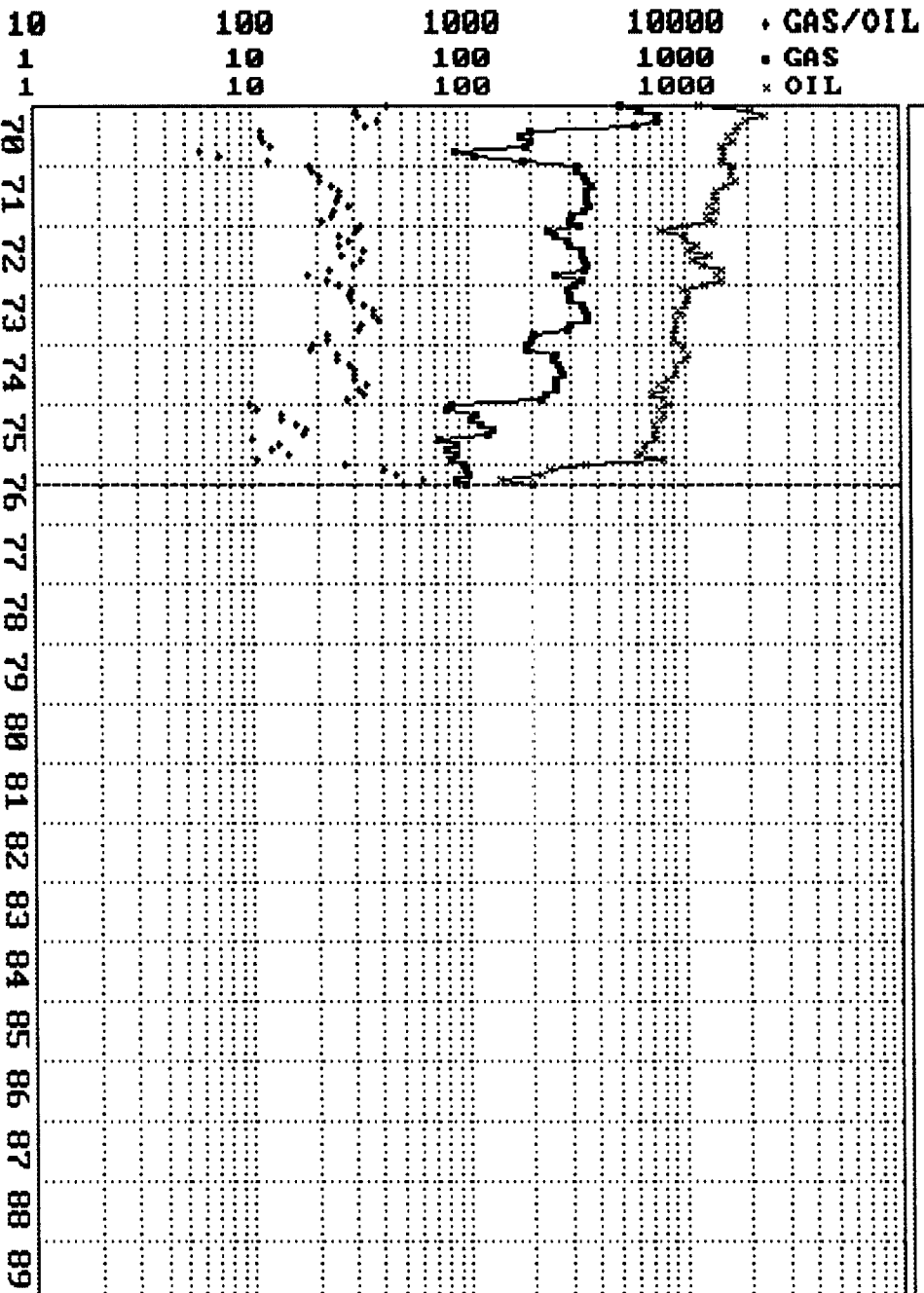
88,493 STBO

24,538 HCF

339,011 BW

STATE DS : 000006 : 150-025-17S36E24

Prop : 10



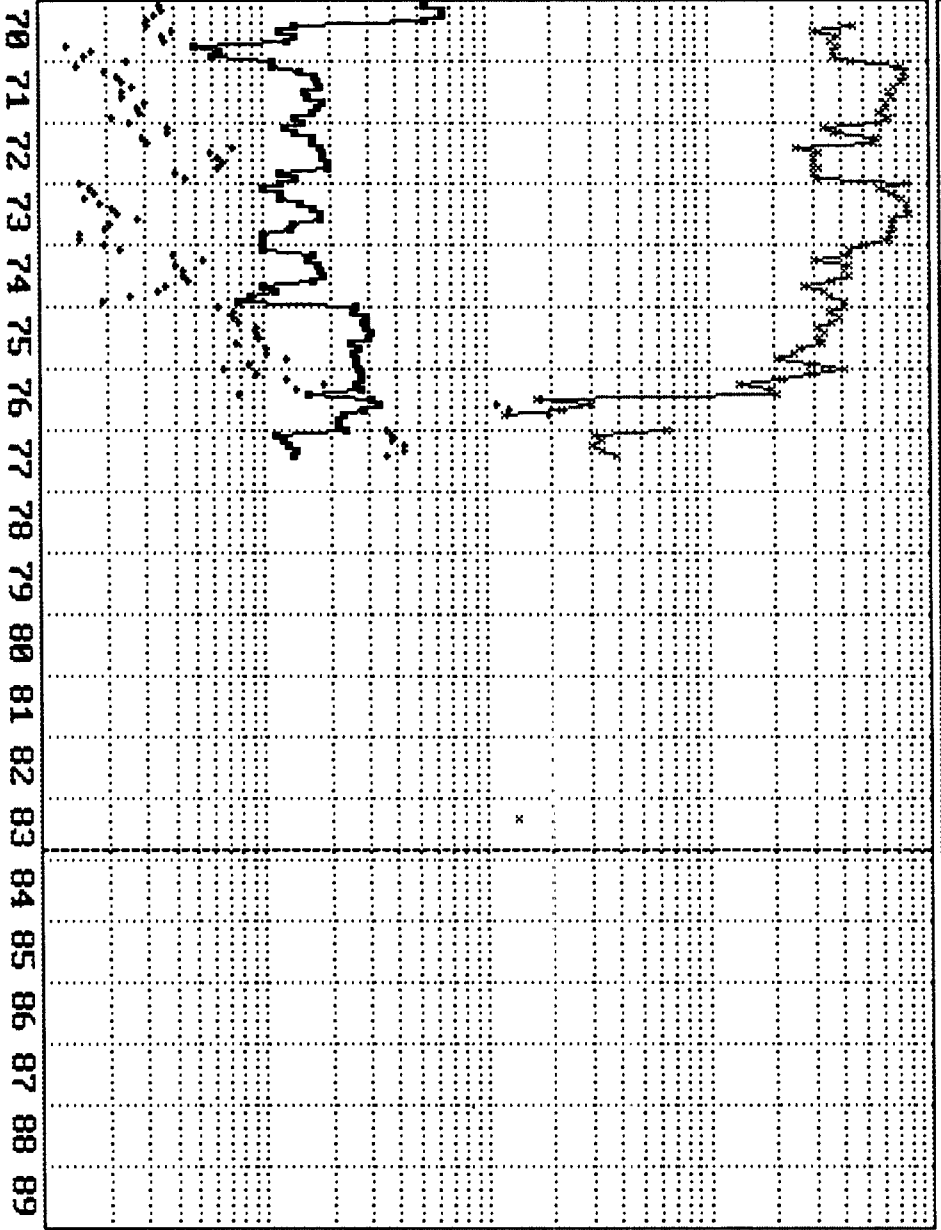
OIL
Bbl/m

Major=OIL

CUMS:

85,586 STBO
20,557 HCF
113,932 BW

100 1000 10000 100000 * GAS/OIL
 10 100 1000 10000 * GAS
 . 1 1 10 100 * OIL



STATE DS : 000007 : 150-025-17S36E24

Prop : 11

Major=OIL

OIL
Bbl/m

CUMS:
 107,158 STBO
 17,547 NCF
 107,547 BW

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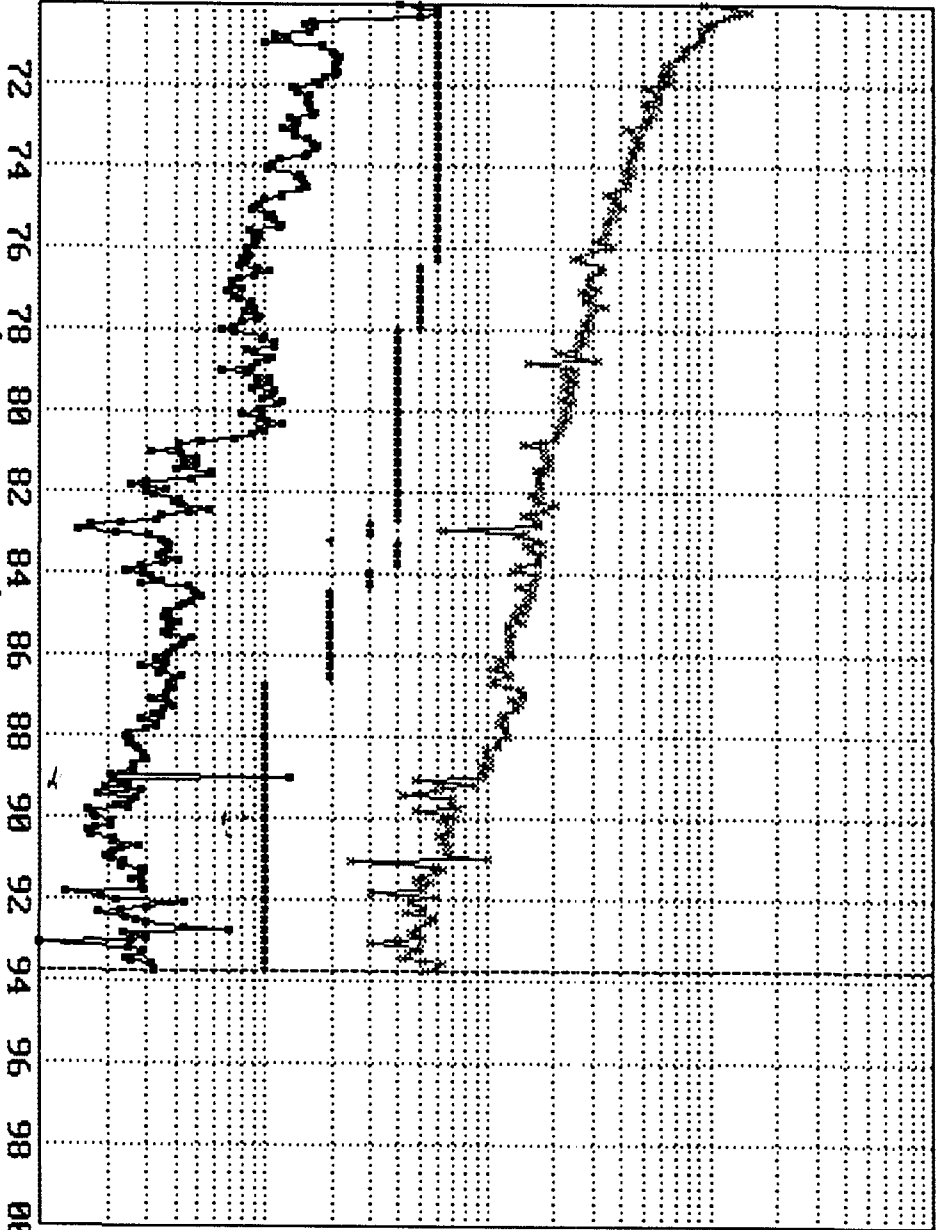
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STATE DS LEASE : !

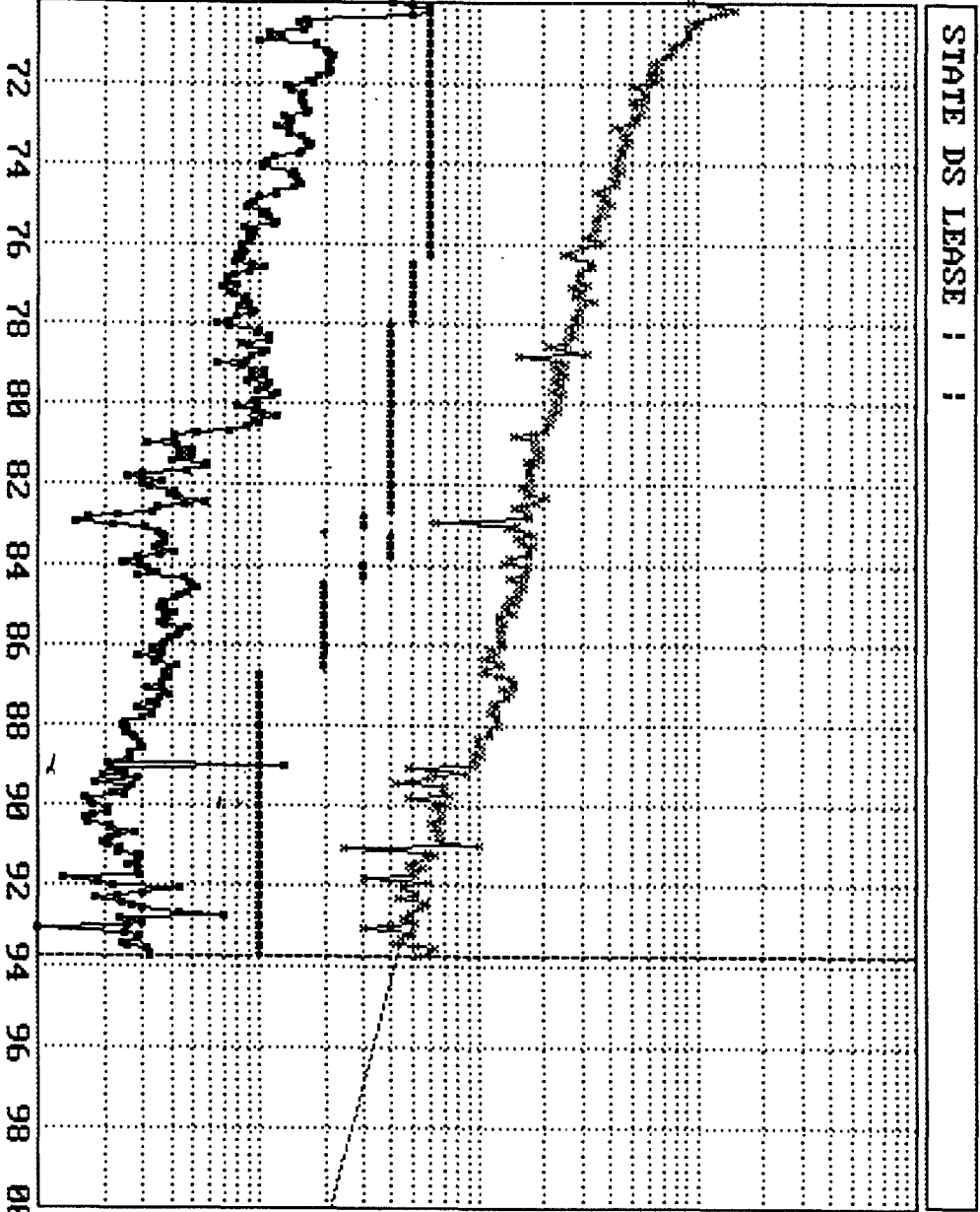


Prop : 14

OIL
Bbl/m

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.1 1 10 100 • NO_WELLS
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 10 100 1000 10000 * OIL



STATE DS LEASE : :

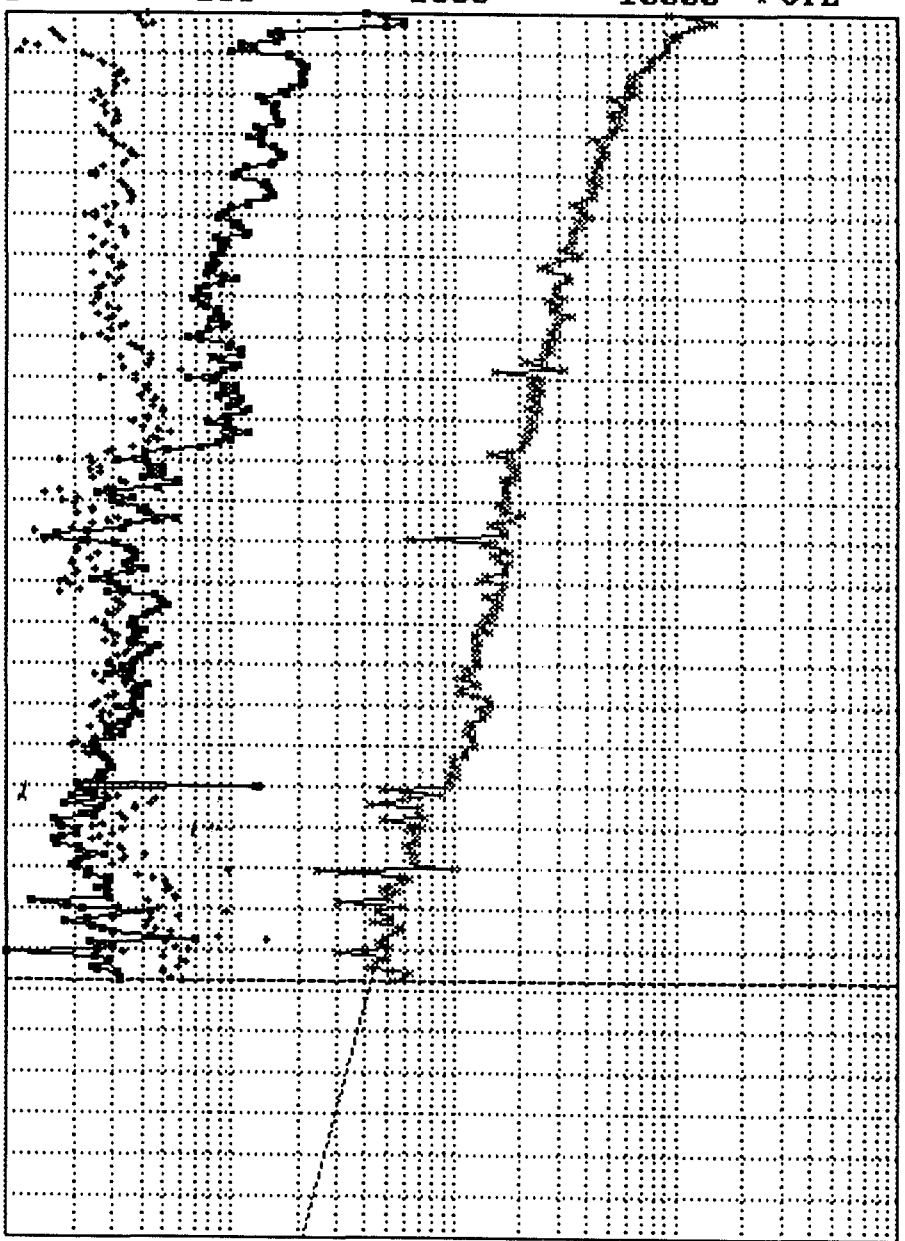
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100 1000 10000 100000 * GAS/OIL
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STATE DS LEASE : :



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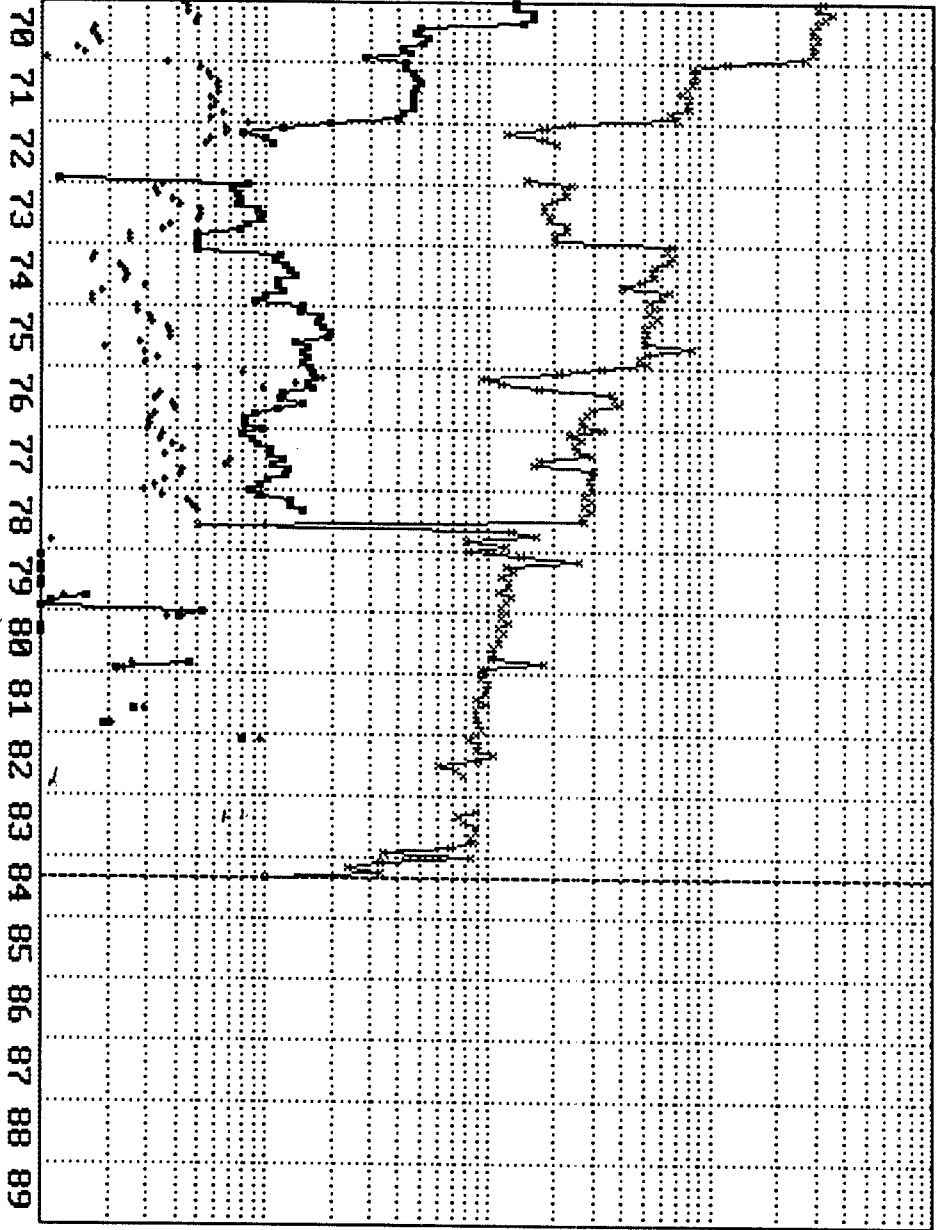
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OIL
Bbl/m

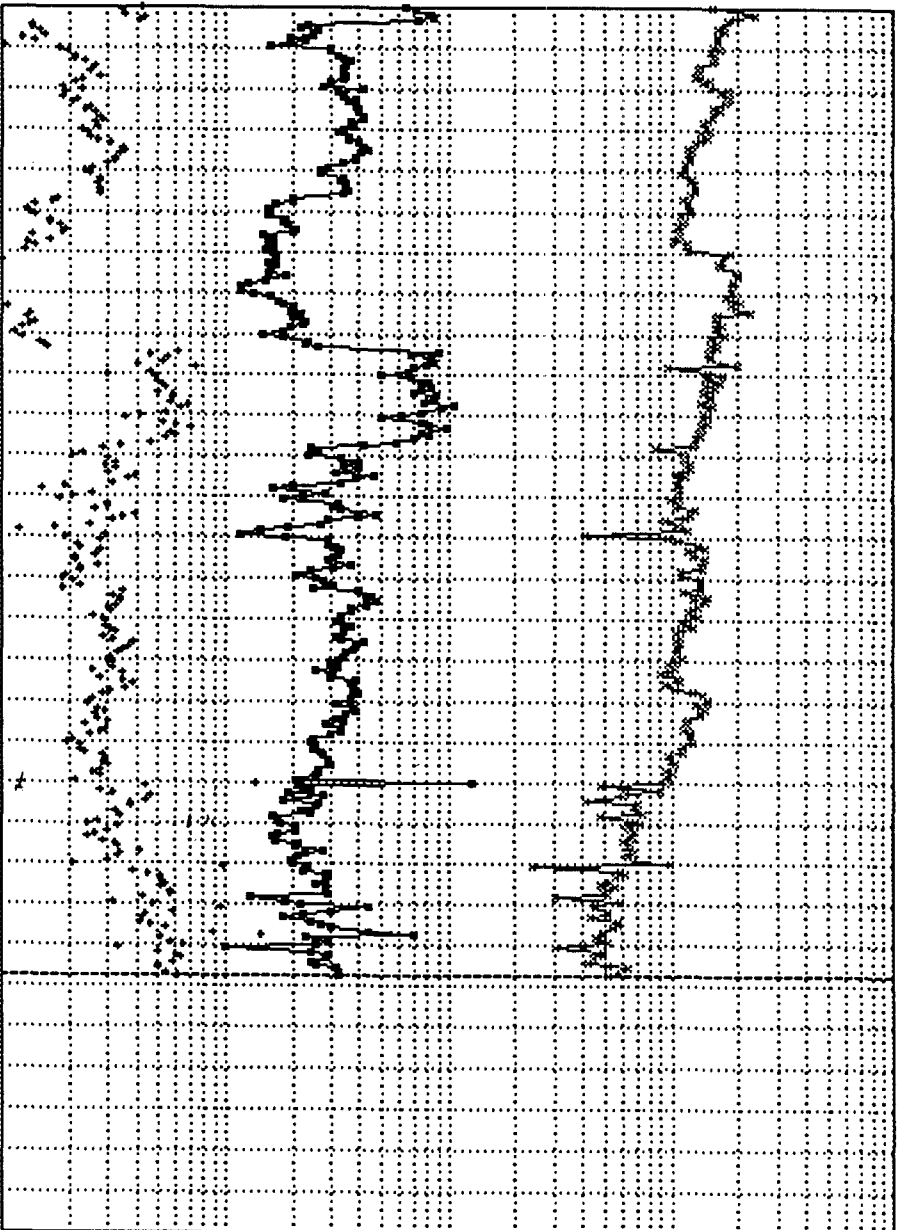
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 120,129 BW

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Bbl/m

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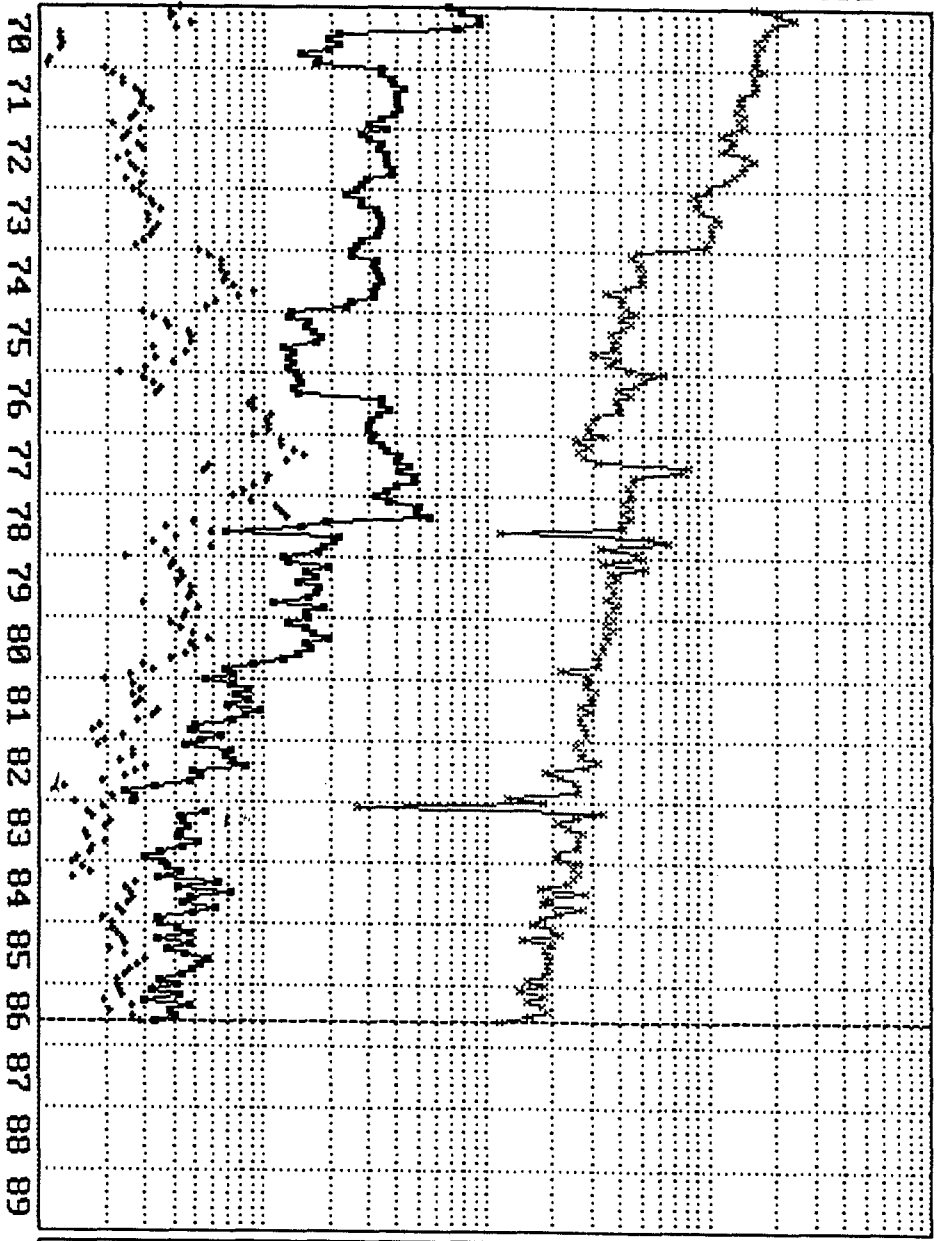
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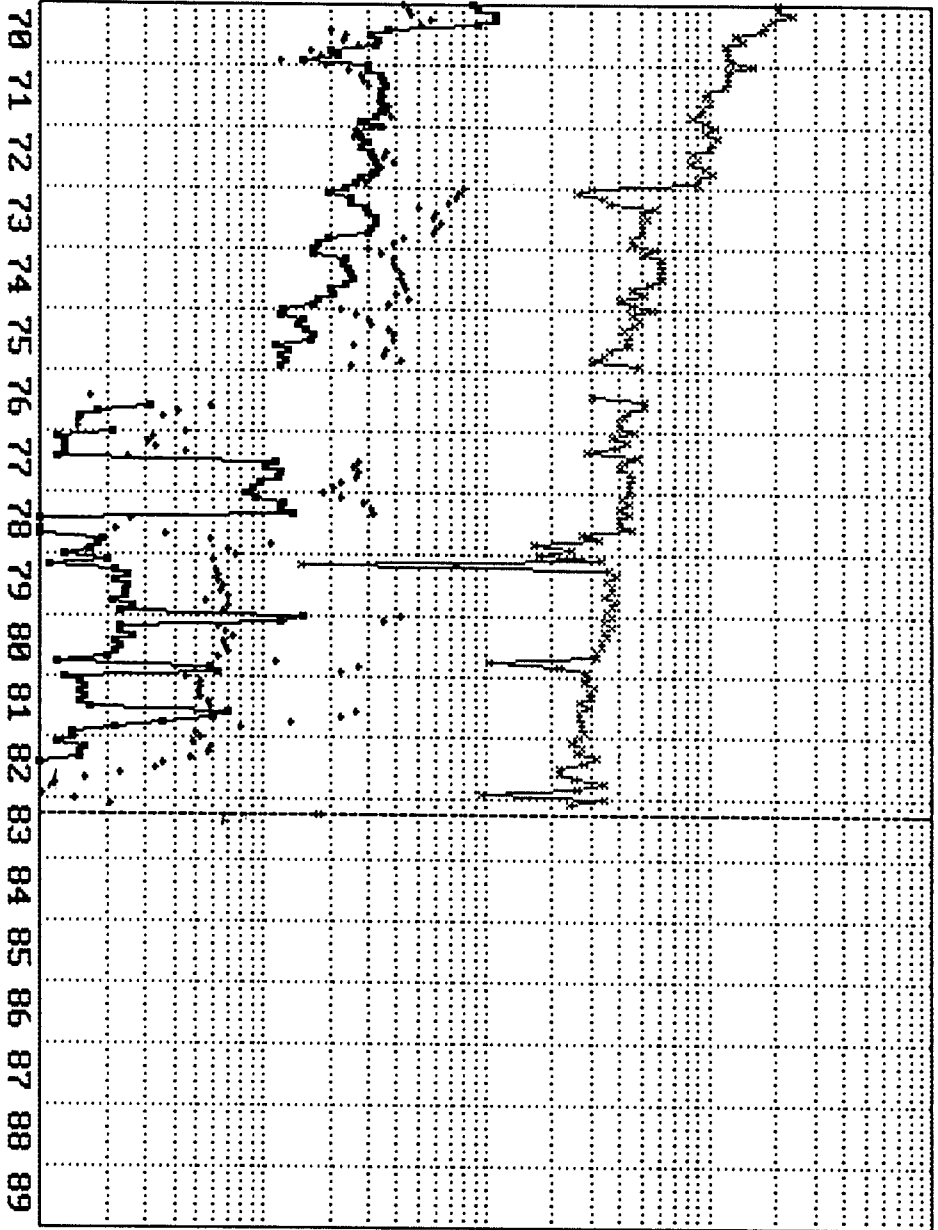
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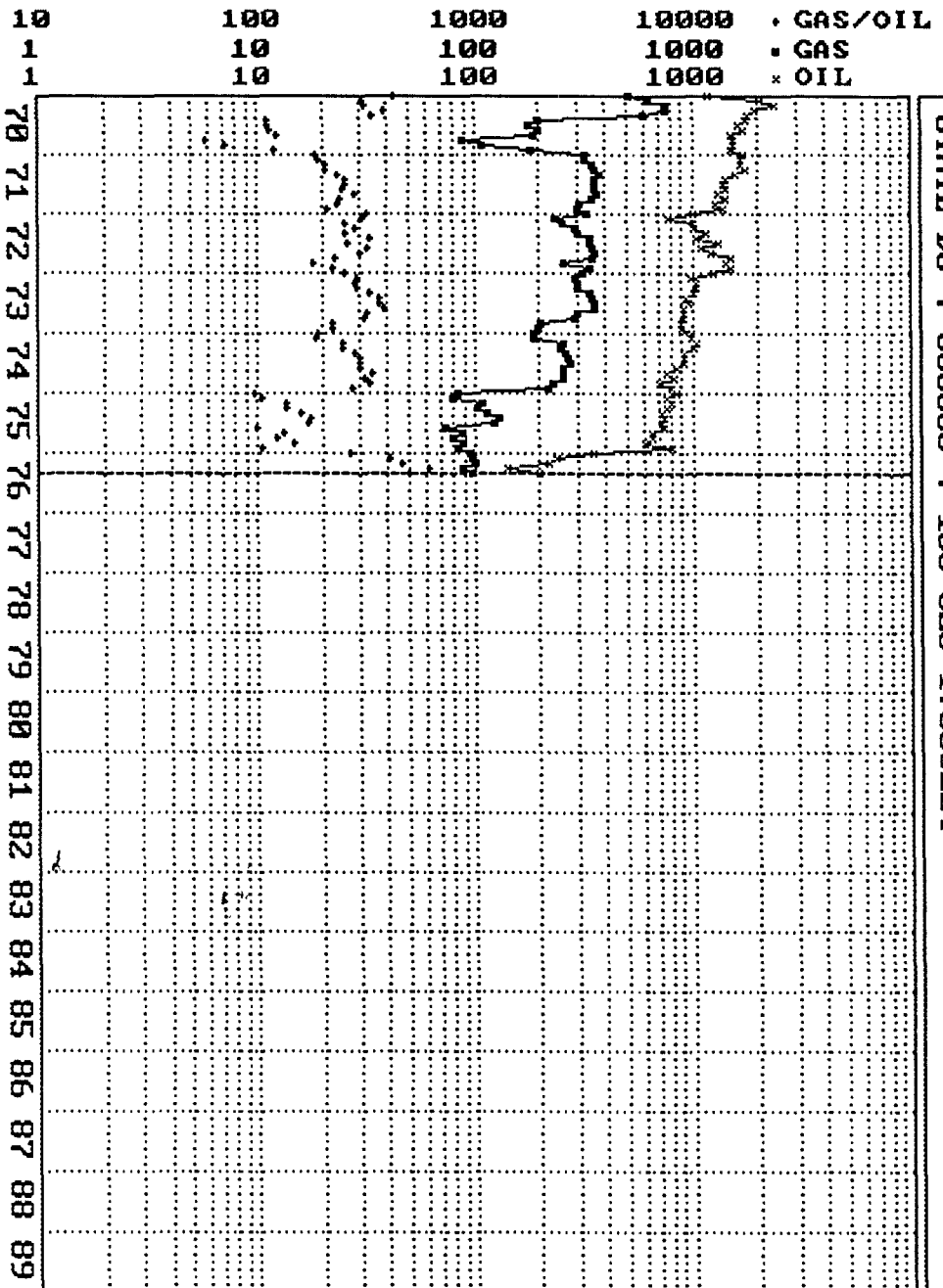
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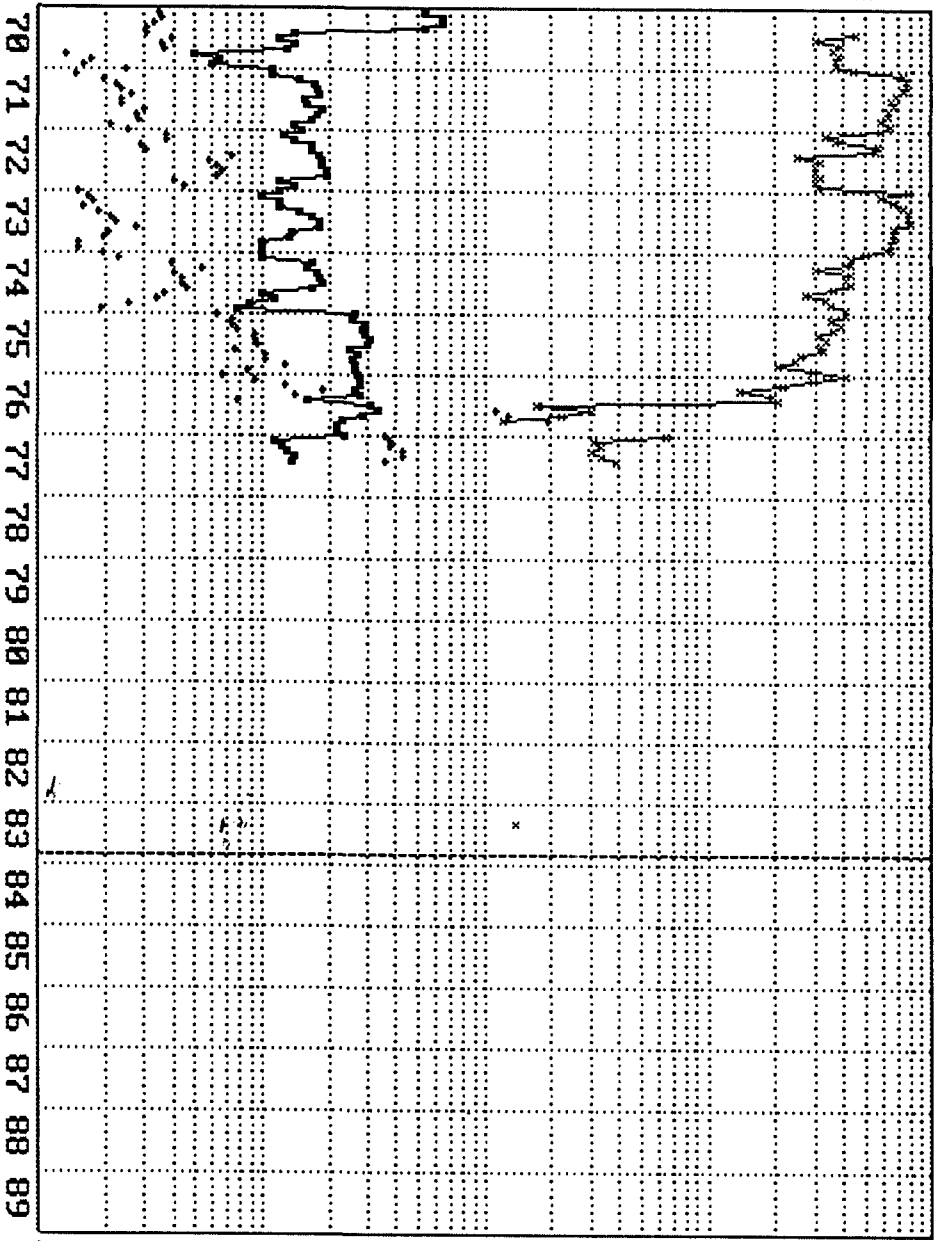


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