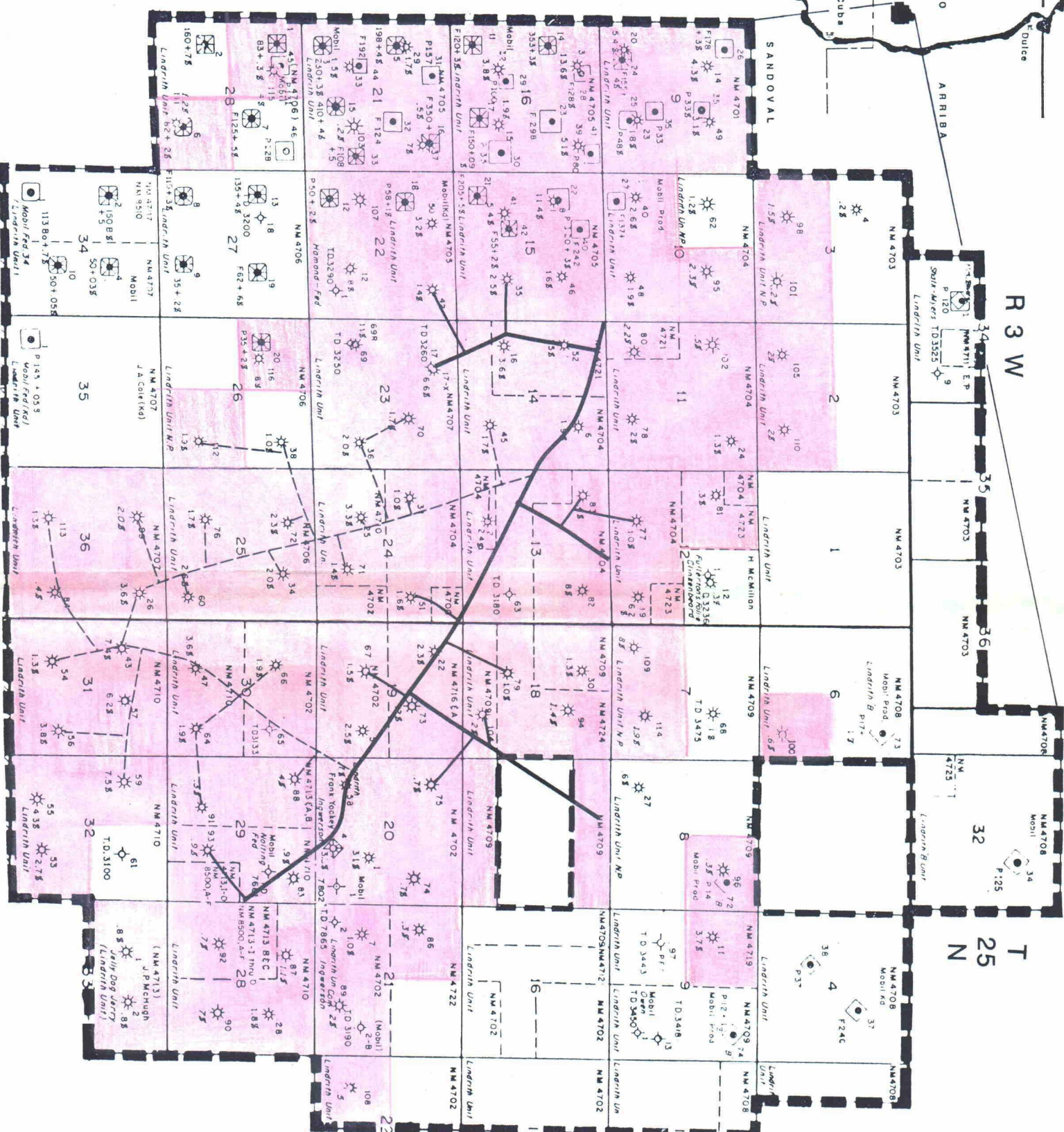
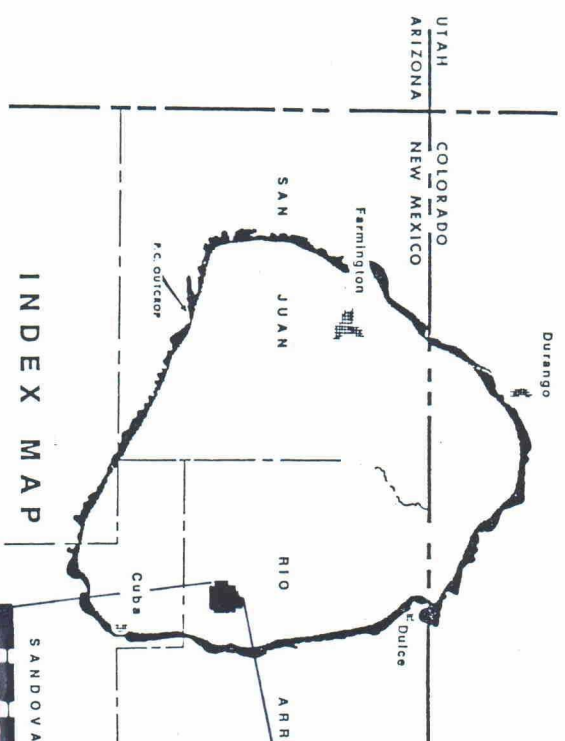


MERIDIAN OIL, INC.

CASE 9423

AUGUST 3, 1988



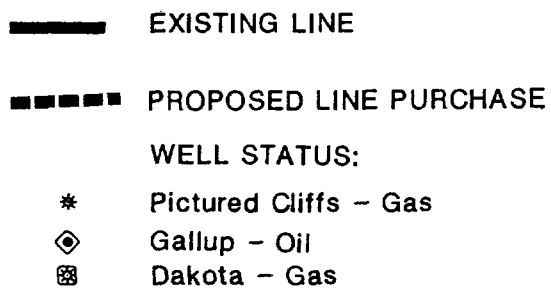
CASE NO. 9423
EXHIBIT NO. 1

T 24 N
PICTURED CLIFFS
PARTICIPATING AREA

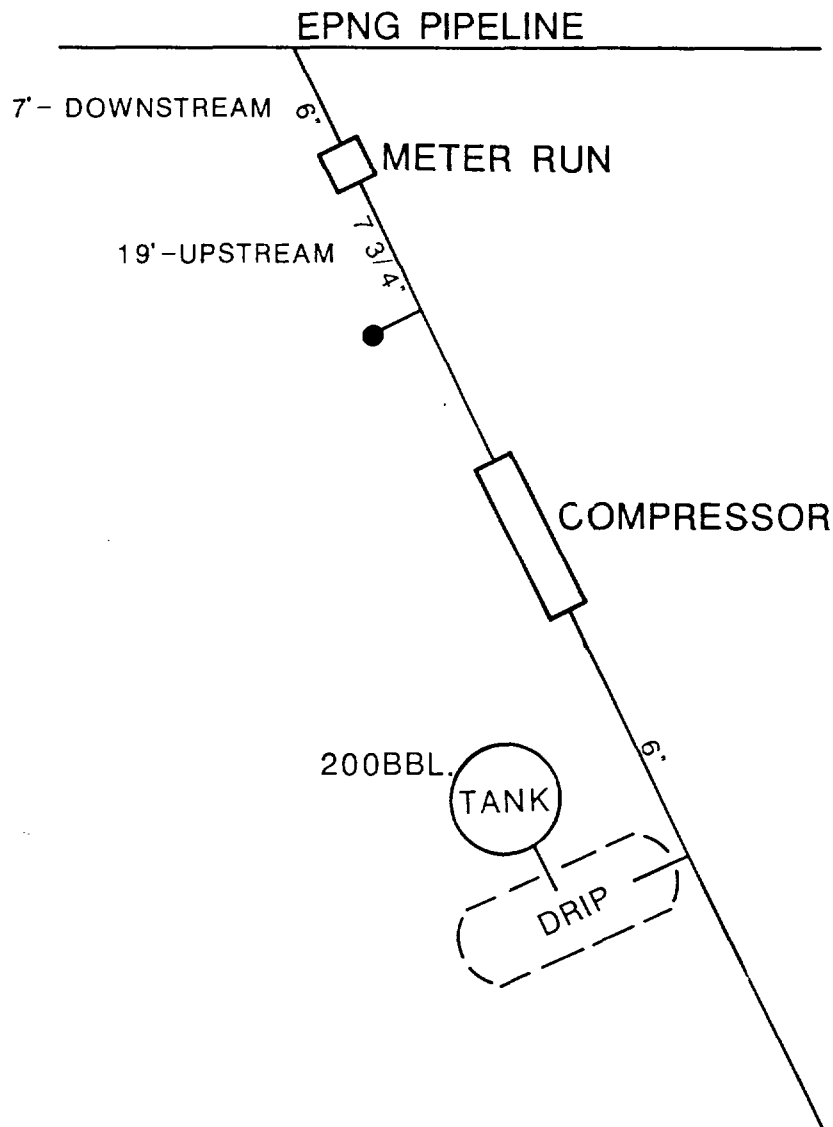
EXISTING LINE
PROPOSED LINE PURCHASE

MERIDIAN OIL

LINDRITH UNIT
Rio Arriba Co., New Mexico
V. Goebel 7/28/88



CASE NO. 9423
EXHIBIT NO. 2



CASE NO. 9423
EXHIBIT NO. 3

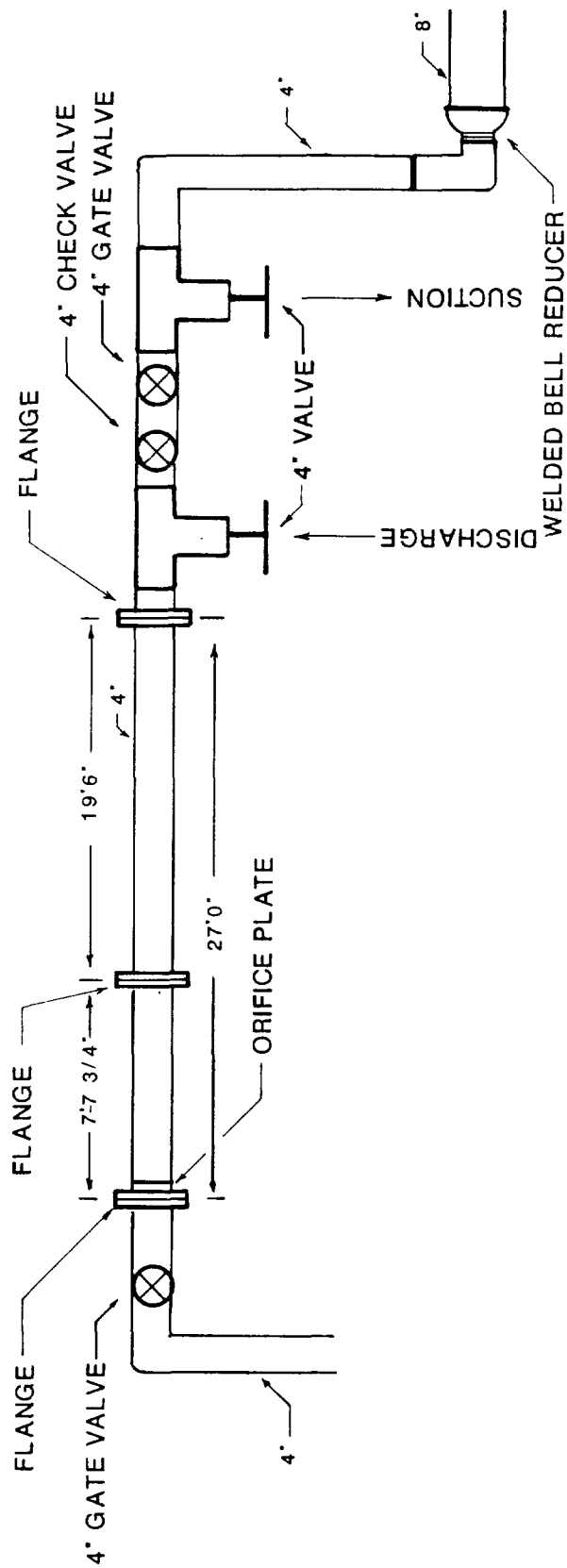
MERIDIAN OIL
TYPICAL
METER RUN &
COMPRESSOR HOOKUP

SAN JUAN BASIN, NEW MEXICO

J. EVANS

june, 1988

r.t.s.



MERIDIAN OIL

TYPICAL METER RUN AND COMPRESSOR HOOKUP

CASE NO. 9423
EXHIBIT NO. 4

Allocation Example

Total production at Central Metering Point = 275 MCF/D
Less continuously metered production = 150 MCF/D
Equals allocation volume 125 MCF/D

Allocate 125 MCF/D among participating Pictured Cliffs wells based on yearly deliverability tests!

Participating - Pictured Cliffs Unit

	<u>Yearly Deliverability Test (MCF/D)</u>	<u>% Allocation</u>
WELL A	50	40
WELL B	40	32
WELL C	20	16
WELL D	15	12
	<u>125</u>	<u>100</u>

Non - Participating

	<u>Monthly Production - (MCF/D)</u> <u>Conventionally metered</u>
WELL E (Dakota)	90
WELL F (Pic. Cliffs)	30
WELL G (Pic. Cliffs)	30
	<u>150</u>

CASE No. 9423

Exhibit No. 5

Subject: Lindrith Unit - Laterals 2C-18 & 2C-151

A deliverability test will be used to allocate production back to each individual well. A test will be run shortly after the system is installed and once a year thereafter.

The wells are listed as follows with current production rates.

<u>Well Name</u>	<u>Lease No.</u>	<u>Current YAO</u>
Lindrith Unit #64	078910	34
Lindrith Unit #66	078909	50
Lindrith Unit #47	078910	78
Lindrith Unit #57	078910	11
Lindrith Unit #59	078910	52
Lindrith Unit #43	078910	8
Lindrith Unit #56	078910	8
Lindrith Unit #54	078910	17
Lindrith Unit #84	078915	27
Lindrith Unit #26	078915	73
Lindrith Unit #60	078914	53
Lindrith Unit #34	078914	62
Lindrith Unit #72	078914	43
Lindrith Unit #38 NP	078914	17
Lindrith Unit #71	078910	54
Lindrith Unit #25	078910	62
Lindrith Unit #36	078915	36
Lindrith Unit #70	078915	50
Lindrith Unit #31	078912	25
Lindrith Unit #2	078912	37
Lindrith Unit #45	078912	64
Lindrith Unit #76	078914	64
Lindrith Unit #112	078914	164
Lindrith Unit #113	078915	65
Lindrith Unit Com #88	Fee	17
Lindrith Unit Com #91	Fee	21

Jesse D. Evans
Production Superintendent

JDE/dl
ID 48

Case No. 9423
Exhibit No. 6

MERIDIAN OIL

DATE: 07/05/88

BILLY WAYNE STONE AND
DIANA SYLVIA STONE
P O BOX 558
POLSON, MT 59860

RE: LINDRITH UNIT
PICTURED CLIFFS FORMATION WELLS
RIO ARriba COUNTY, NEW MEXICO

DEAR INTEREST OWNER:

MERIDIAN OIL PLANS TO INSTALL A CENTRAL POINT METERING AND LATERAL COMPRESSION SYSTEM ON THOSE WELLS SUBJECT TO THE PICTURED CLIFFS PARTICIPATING AREA IN THE REFERENCED UNIT. ANY NON-PARTICIPATING AREA WELL OR WELLS COMMUNITIZED WITH NON-UNIT ACREAGE WILL CONTINUE TO HAVE THEIR OWN METER.

CENTRAL POINT METERING WILL ALLOW MERIDIAN, AS OPERATOR, TO MORE EFFICIENTLY PRODUCE THESE WELLS AND THE INSTALLATION OF LATERAL COMPRESSION SHOULD INCREASE THE GAS PRODUCTION FROM THE AFFECTED WELLS. THE COMBINATION OF THE TWO SHOULD INCREASE GAS PRODUCTION BY A SUBSTANTIAL AMOUNT.

THIS PROJECT WILL NOT CHANGE YOUR INTEREST AS AN INTEREST OWNER OTHER THAN POSSIBLY INCREASING GAS PRODUCTION.

MERIDIAN HAS SCHEDULED A HEARING FOR AUGUST 3, 1988 BEFORE THE STATE OF NEW MEXICO OIL CONSERVATION DIVISION TO REQUEST APPROVAL FOR THE ABOVE STATED PROJECT. SHOULD YOU HAVE ANY QUESTIONS PLEASE CONTACT THE UNDERSIGNED OR YOU MAY ATTEND THE AUGUST 3, 1988 HEARING.

YOURS VERY TRULY,

VAN L. GOEBEL
SENIOR LANDMAN
P. O. BOX 4289
FARMINGTON, NEW MEXICO 87499
(505) 326-9700

CASE NO. 9423

EXHIBIT NO. 7

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing Letter to be mailed to each of the parties listed on the attached Mailing List, by Certified Mail--Return Receipt Requested, on this 7th day of July, 1988.

Terry L. Mosher

Case No. 9423
Exhibit No. 8

LINDRITH UNIT
PICTURED CLIFFS WORKING INTEREST OWNER

El Paso Natural Gas Company

CASE NO. 9423

EXHIBIT NO. 9

LINDRITH UNIT
ROYALTY INTEREST OWNERS AND
OVERRIDING ROYALTY INTEREST OWNERS

Billy Wayne Stone & Diana Sylvia Stone
Vera E. Hughes
The Nordan Trust
T.W. Stevenson
Robert M. McFarlin
Ralph B. Sievwright, PR
(Edith Adams Zimmerman Estate)
Mobil Producing Texas & New Mexico, Inc.
Mary Eyler
Linda Muriel Adkins
John Rhea McFarlin
John Lee Turner
James L. Hendren & Sunwest Bank, Trustees
(Robert E. Adams Estate)
Howard A. Hughes or Janet A. Hughes
Frederick Eugene Turner
Frank A. Schultz
Edgar Alfred Boring Sr. & Evelyn Boring
El Paso Production Co.
Craig E. Sparks
Benjamin J. Gardner, Executor
(J.M. Anderson Estate)
Archie F. Hughes & Sylvia B. Hughes
Amoco Production Company
Amax Petroleum Corp.

William G. Webb
U.S. Royalties Corporation
Susan Elizabeth Schulze
Tenneco Oil Company
Pearl Neugent Nordan
Norma K. Cordell
Myra Loudene Jones
Melviin D. Rueckhaus
Klossie Nell Meharg
June Price
Joy Bassett
Janice E. Robertson
J. Glenn Turner, Jr.
Horace F. McKay Jr.
George L. Davis
Felmont Oil Corporation
E. W. Meharg
Edith A. Payne
Elizabeth T. Calloway
Betty Lafferty
Bertha Dugger
Bank of Oklahoma, Tulsa, Trustee
(Leta M. Chapman Trust)
American Petrofina Co. of Texas

CASE NO. 9423

EXHIBIT NO. 10