

**APPLICATION OF MERIDIAN OIL INC.
FOR EXEMPTION FROM NEW MEXICO
PRICE PROTECTION ACT
SAN JUAN COUNTY, NEW MEXICO**

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
Meridian	EXHIBIT NO. 2-8
CASE NO. 9703	

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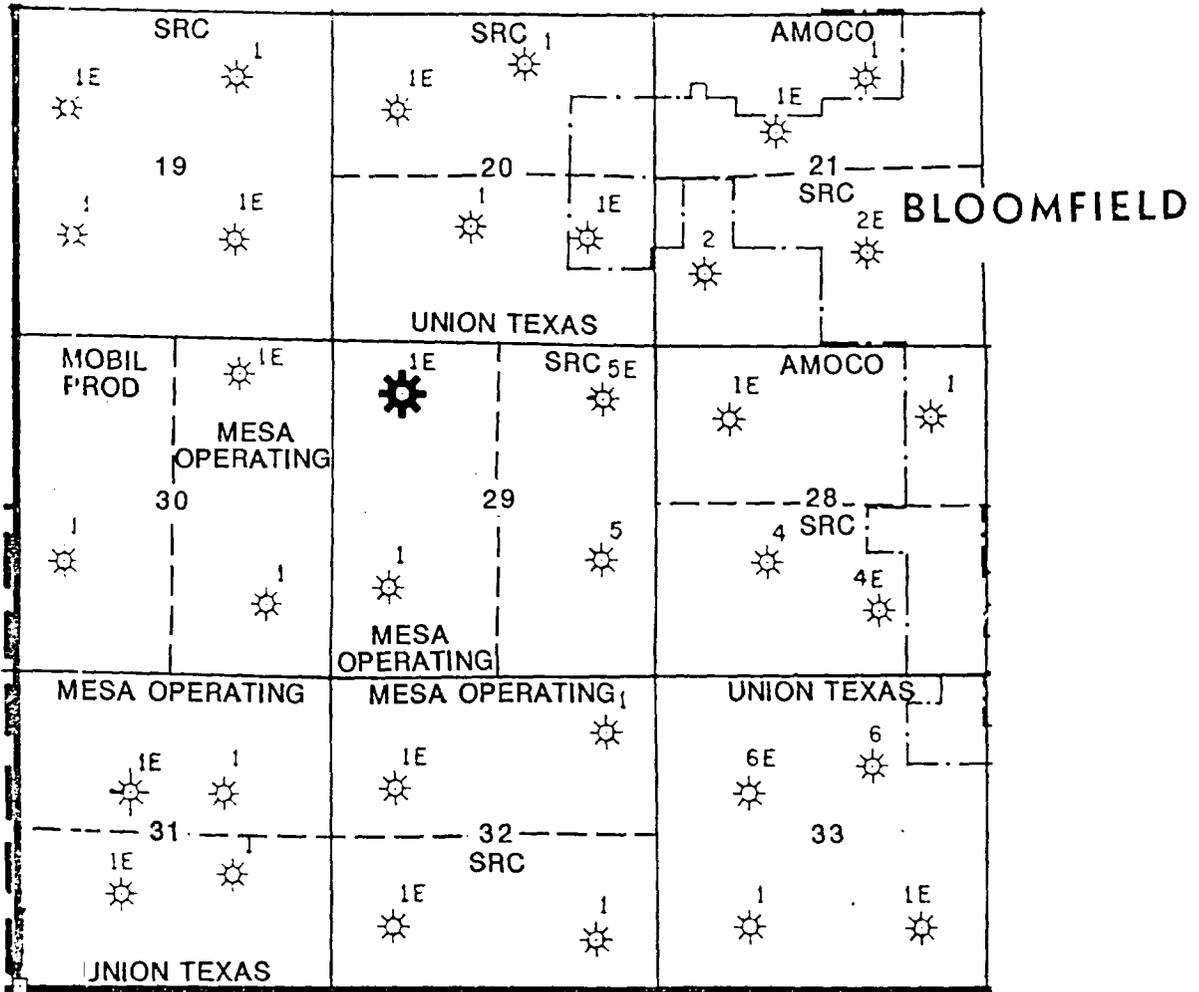
TAB. 1. LOCATION PLAT

TAB. 2. GAS POOL AND PRODUCT PURCHASER INFORMATION

TAB. 3. OPERATOR AFFIDAVIT.

TAB 1

SHEPHERD & KELSEY 1E
NW NW 29 - 29N - 11W
San Juan County, New Mexico



TAB 2

SHEPARD & KELSEY 1E
Section 29, T29N-R11W, N.M.P.M.
San Juan County, New Mexico

I. Gas Pool:

Basin Dakota (Prorated Gas) Field

II. Product Sale Information

Oil Transporter:

Oil Purchaser:

Gas Transporter:

Gas Purchaser

Thriftway Oil

Southern Union Gathering Co.

TAB 3

STATE OF TEXAS
COUNTY OF POTTER

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§

AFFIDAVIT OF DENNIS E. FAGERSTONE

COMES NOW DENNIS E. FAGERSTONE who deposes and says:

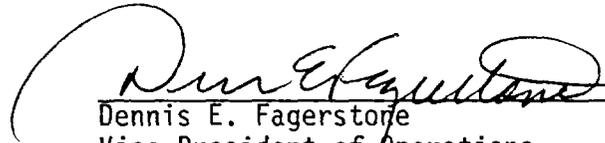
1. I am Mesa Operating Limited Partnership's (hereinafter referred to as "Mesa") Vice President of Operations. In the position of Vice President of Operations, I am the person responsible for the oil and gas production operations of Mesa in the San Juan Basin.

2. Mesa operates the Shepherd & Kelsey #1E well which is located in San Juan County, New Mexico.

3. In reviewing the well files for the Shepherd & Kelsey #1E well, I find nothing which indicates that the wells existing on the proration units at the time the infill well in Paragraph 2 above was drilled have had their production restricted in any manner for purposes of avoiding the application of the New Mexico Natural Gas Protection Act to sales of natural gas from those wells.

4. I found nothing in the well files which indicates that the drilling of the subject infill well was for the purpose of avoiding the application of the New Mexico Price Protection Act.

5. The above statements are based on the review of certain well files formerly maintained by Pioneer Corporation, predecessor in interest to Mesa, and are to the best of my knowledge and belief, true and correct.



Dennis E. Fagerstone
Vice President of Operations
Mesa Limited Partnership

BEFORE ME the undersigned authority, on this day personally appeared
Dennis E. Fagerstone who being by me duly sworn on this oath deposed and said
he is the authorized representative of Mesa Limited Partnership: that he has
read the foregoing instrument and that every statement contained therein
in within his knowledge and is true and correct.

GIVEN under my hand a seal of office this 11th day of May, 1988.



diana densmore
NOTARY PUBLIC