

FEDERAL APPROVAL ON APPLICATION FOR DOWNHOLE COMMINGLING OF THE SOUTH CORBIN FEDERAL WELL NO. 1, LOCATED IN UNIT B, SECTION 20, T18S, R33E, LEA COUNTY, NEW MEXICO, FEDERAL LEASE NO. NM61604. ADMINISTRATIVE APPROVAL WAS GRANTED TO MURPHY OPERATING CORPORATION BY THE STATE OF NEW MEXICO ON OCTOBER 7, 1987 UNDER DHC-671. IT APPEARS THAT THIS REQUEST WAS NEVER SENT TO THE BUREAU OF LAND MANAGEMENT FOR THEIR APPROVAL. THEREFORE, MERIDIAN OIL INC. RESPECTFULLY REQUESTS SAID APPROVAL.

**TO: BUREAU OF LAND MANAGEMENT
620 E. GREENE STREET
CARLSBAD, NEW MEXICO 88220**

MERIDIAN OIL INC. IS REQUESTING APPROVAL TO DOWNHOLE COMMINGLE THE SOUTH CORBIN FEDERAL WELL NO. 1, LOCATED IN UNIT B, SECTION 20, T18S, R33E, LEA COUNTY, NEW MEXICO, FEDERAL LEASE NUMBER NM61604.

SOUTH CORBIN FEDERAL WELL NO. 1 (NM61604)

1. A plat of the area showing acreage dedicated to the well and the ownership of all offsetting leases:

Attached as Exhibit 1
2. A copy of the 24-hour productivity test C116 that was originally submitted in 1987, which shows the amount of oil, gas, and water produced from each zone.

Attached as Exhibit 2
3. A complete resume of the well's completion history including description of treating, testing, etc..., of each zone, and a prognostification of future production from each zone shall be submitted.

Attached as Exhibit 3
4. A copy of the estimated bottom-hole pressures for each artificially lifted zone that was originally submitted in 1987.

Attached as Exhibit 3
5. A description of the fluid characteristics of each zone showing that the fluids will not be incompatible in the well-bore.

Attached as Exhibit 3