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WAIVER

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

This is to advise that the undersigned has been given due notice that Lion Production, Inc. has made application for an unorthodox Eumont (Y-7R-QN) prorated gas well location for their proposed N. B. Bordages Gas Com. No. 2 and simultaneous dedication of the N. B. Bordages Gas Com. Nos. 1 and 2 to the existing 200 acre non-standard gas proration unit. The N. B. Bordages Gas Com. No. 2 infill well is to be located 480' FNL and 850' FEL Section 32, T19S, R37E, Lea County, New Mexico.

We, the undersigned, hereby waive any objection to the granting of this application for an unorthodox location of the N. B. Bordages Gas Com. No. 2 and simultaneous dedication of the N. B. Bordages Gas Com. Nos. 1 and 2 wells to the existing 200 non-standard gas proration unit in the Eumont (Gas) Pool consisting of the E/2 NE/4 Section 32, and E/2 NW/4, NW/4 NW/4 Section 33, T19S, R37E, Lea County, New Mexico.

Executed This 14 day of July, 1995.

Company: Meridian Oil Inc.

By: Maria L. Perez
Regulatory Compliance Asst.

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OFFICE