

# MERIDIAN OIL

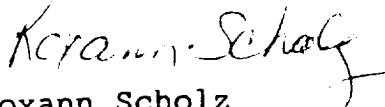
July 22, 1992

Chevron U.S.A. Inc.  
Attn: Al Bohling  
Proration Engineer  
P. O. Box 1150  
Midland, TX 79702

RE: OFFSET OPERATORS NOTIFICATION OF  
REQUEST AND NOTICE FOR ADMINISTRATIVE  
APPROVAL FOR LEGAL #3, #2, & #5  
JALMAT TANSILL-YATES-SEVEN RIVERS  
SE/4 SEC. 31, T25S, R37E  
LEA COUNTY, NEW MEXICO

Meridian Oil is currently requesting administrative approval from the New Mexico Oil Conservation Division (OCD) for simultaneous dedication for our Legal #3, #2, and #5 wells. The Legal #3 is located 330' FSL & 1980' FEL, Sec. 31, T25S, R37E, Lea County, New Mexico. This well ID currently completed in the Jalmat Tansill Yates Seven Rivers (Oil) pool. We plan to recomplete this well and produce from the Jalmat (prorated gas) pool. The proposed simultaneous dedication will cover the SE/4 of Sec. 31, T25S, R37E. This 160 acre proration unit is currently dedicated to Meridian's Legal #2 located 1980' FSL & 660' FEL, Sec. 31, T25S, R37E and the Legal #5 located 330' FSL & 330' FEL, Sec. 31, T25S, R37E.

Sincerely,

  
Roxann Scholz  
Prod. Asst.

xc: Well file  
Regulatory