

Ernie Busch

From: Ernie Busch
To: Mike Stogner
Subject: MERRION OIL&GAS CORP(DD)
Date: Monday, March 25, 1996 8:40AM
Priority: High

PWU #4
RECOMMEND: APPROVAL

L-15-19N-5W

C-115 Operator's Monthly Report (Continuation Page - Instructions are on the back of form C-115)

2 Operator	MERRION OIL & GAS CORP	3 OGRID	014634	4 Month/Year	01/96	6	Page 11 of 42
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		INJECTION			PRODUCTION					DISPOSITION OF OIL, GAS, AND WATER								
7	POOL NO. AND NAME Property No. and Name Well No. & U-L-S-T-R API No.	C	O	9	10	C	12	13	14	15	C	17	18	19	20	21	C	23
		D	E	Volume	Pressure	D	Barrels of oil/conden- sate Produced	Barrels of water Produced	MCF Gas Produced	Days Prod- uced	D	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/ mcf)	Trans- porter OGRID	D	Oil on hand at end of month
17610 DEVILS FORK GALLUP		1				2					3							4
007838 Salazar G 27																		
001	J-27-25N-06W 30-039-23081	S					0	0	0	0								
002	A-27-25N-06W 30-039-23095	P					0	0	6	1	O G	1900710 1900730	1204	256	4 2	007057	U	256
007839 Salazar G 34																		
001	K-34-25N-06W 30-039-22821	F					0	0	2280	31								
002	I-34-25N-06W 30-039-22798	F					40	0	470	31								
003	E-34-25N-06W 30-039-22940	F					45	0	3272	31								
004	H-34-25N-06W 30-039-05747	F					0	0	67	1	O G	1911410 1911430	1232	803	5901 188	007057	U	888
007853 Warren G Com 26																		
002	F-26-25N-06W 30-039-23080	F					59	0	765	31	O G	1900610 1900630	42.6 1248	260	219 703 62	009018 007057	U	100

MERRION

OIL & GAS

March 8, 1996

Mr. Michael Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87503

RECEIVED
MAR 18 1996
OIL CON. DIV.
DIST. 3

**Re: Application for Administrative Approval
To Drill Horizontal Well
Under Provisions of Order No. DD-110H
Papers Wash Entrada Unit
McKinley County, New Mexico**

Dear Mr. Stogner:

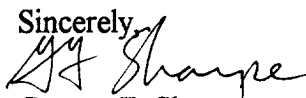
The referenced order allows for the drilling of horizontal wellbores within the Papers Wash Entrada Unit. This application requests approval for specific wells to be drilled under the provisions of that order.

Merrion has drilled two horizontal wellbores to date in the Unit, both out of the PWU-1 wellbore. Merrion now plans to plug back the PWU-4 wellbore and drill a horizontal well either to the southeast or the southwest from that wellbore. Depending on the success, Merrion may drill a second horizontal from the PWU-4 in the alternative direction. In addition, we may drill horizontal wells from the PWU-2 wellbore to the southeast on the PWU-3 wellbore to the southwest. All the possible horizontals are shown on Exhibit 1.

All wellbores will be drilled with a + 350' radius arc and will penetrate a horizontal distance of 800 to 1000 feet in the Entrada Formation. None of the wellbores will have a horizontal or producing portion of said wellbore within 330 feet of the outer boundary of the project area. The total allowable assigned to the project area shall be equal to 750 BOPD times the total number of 40 acre tracts within the project area that are traversed by a horizontal drainhole. The operator shall comply with all other provisions of the referenced order.

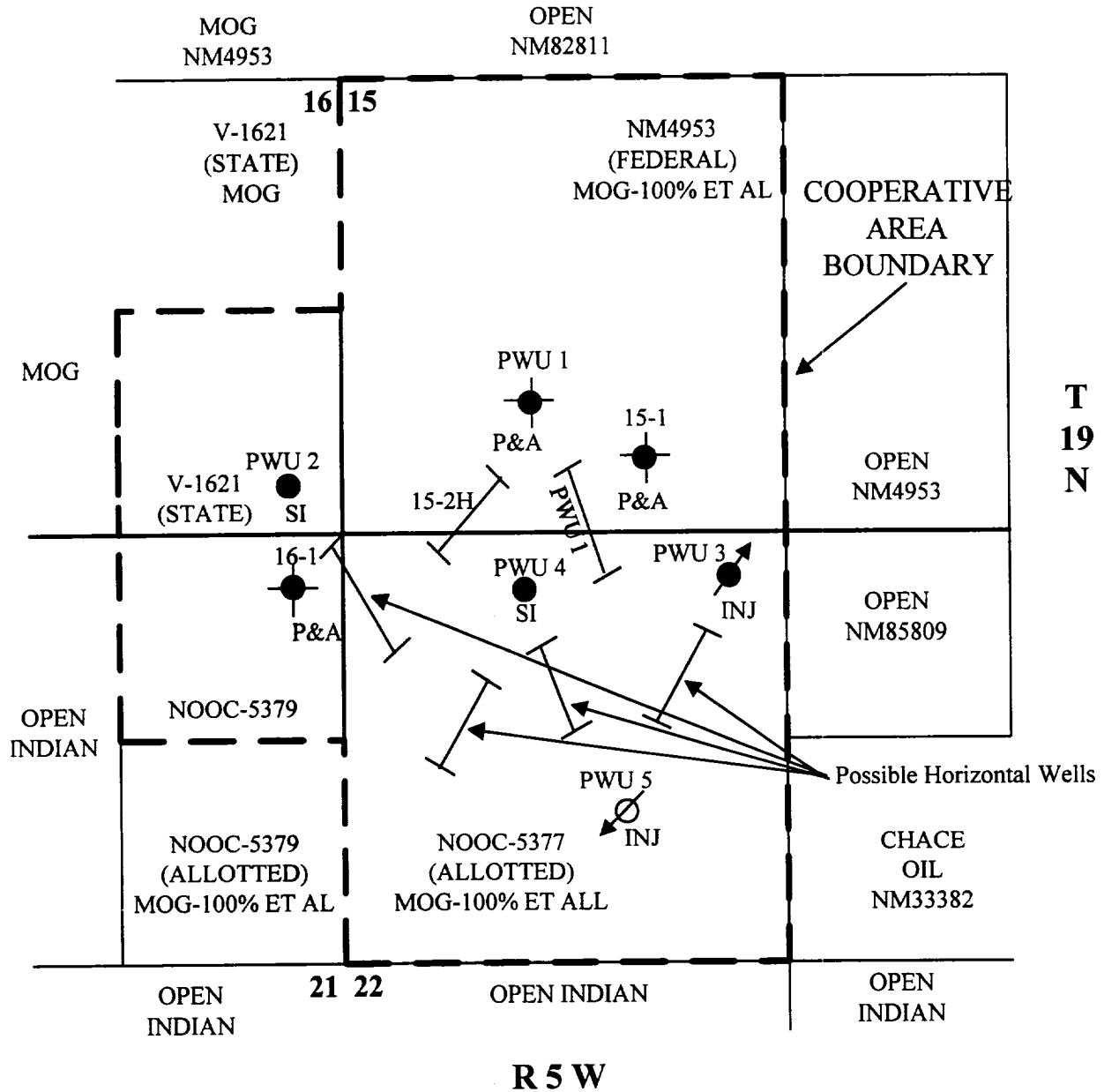
Please call me with any questions at (505) 327-9801.

Sincerely,


George F. Sharpe

xc: Unit File, , Jim Johnson

EXHIBIT 1 LAND PLAT



PAPERS WASH ENTRADA FIELD McKinley County, New Mexico LEASE MAP