

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800



GARREY CARRUTHERS
GOVERNOR

June 23, 1989

RECEIVED
JUL 06 1989
OIL CON. DIV.
DIST. 3

Merrion Oil and Gas Corporation
P.O. Box 840
Farmington, NM 87499

Attention: Steven S. Dunn
Operations Manager

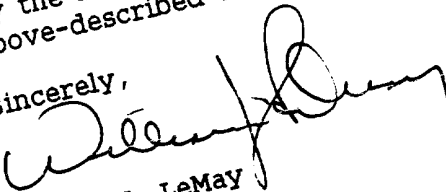
Administrative Order NSL-2670

Dear Mr. Dunn:

Reference is made to your application of May 25, 1989 for a non-standard gas well location for your Federal 21 Well No. 4 located 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 21, Township 20 North, Range 5 West, NMPM, McKinley County, New Mexico, which was drilled to a total depth of 6,000 feet in 1976 and completed at a standard oil well location in the Ojo Encino Entrada Pool. Said well to be recompleted in the Mesaverde formation in which the SW/4 of said Section 21 shall be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of General Rule 104 F(1), the above-described unorthodox gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
NM Oil and Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 6-5-89

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 5-24-89
for the MERRION OIL & GAS CORP. FEDERAL-21#4 21-20N-5W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

E. A. Bunch

NSL 01601 # 2670

APP. 6-23-89

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. BOX 840
FARMINGTON, NEW MEXICO 87499

May 23, 1989

New Mexico Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

RECEIVED
MAY 24 1989
OIL CON. DIV
DIST. 3

Attention: Mr. Michael Stogner

Subject: Application for an unorthodox location
Undesignated Mesaverde
Federal 21 No. 4
Sec. 21, T20N, R5W
San Juan County, New Mexico

Dear Mr. Stogner:

By this letter Merrion Oil & Gas Corporation requests administrative approval for an unorthodox location for the Federal 21-4 well in accordance with the provisions of Rule No. 104 Section I of the commission rules.

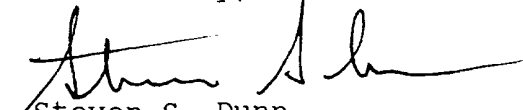
The Federal 21 No. 4 was originally drilled as an Entrada producer in the Ojo Encino Entrada pool at an orthodox location. Merrion subsequently plugged back and completed in the Mesaverde interval resulting in the production of gas-well gas.

Merrion has notified, by certified mail, the offsetting operators of this application and has requested written waivers to be submitted.

Enclosed for your review and approval are a lease map of the area showing ownership of all leases offsetting the proration unit for which the unorthodox location is sought.

If you require further information or wish to discuss this application, please give me a call.

Yours truly,


Steven S. Dunn
Operations Manager

SSD:ks

Enc.

cc: Mr. Ernie Busch, Aztec

