



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

AZTEC DISTRICT OFFICE  
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GARY E. JOHNSON  
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CABINET SECRETARY

July 18, 1996

Mr Steve Dunn, Operations Manager  
Merrion Oil & Gas Corporation  
610 Reilly Ave  
Farmington NM 87401

Re: Surface Casing Variance and Unorthodox Location, MEU #9, SW/4 14-19N-03W <sup>m</sup>

Dear Steve:

Upon review of the geology and offset well drilling reports, there is no evidence that granting the variance you requested will cause waste or not protect ground water. You are hereby granted a variance to the NMOCD District 3 minimum surface casing setting depth requirement. This variance is for this one well only and any future wells must go through a similar process.

The referenced well will also require an exception location approval, because the pool rules for the Media Entrada do not allow the location you have surveyed since it is not 330' from the quarter section line. Please submit an application justifying the need for the surveyed location. Rule 104 F has been rewritten and modified to accommodate additional needs of the operators, please refer to rule 104 F for approvals that are not covered in the pool rules.

I hope this will help you in accomplishing your drilling needs. Please do not hesitate to contact me if I can be of further assistance.

Yours truly

A handwritten signature in cursive script that reads "Ernie Busch".

Ernie Busch  
Deputy Oil & Gas Inspector

EB/sh

xc: Well File