



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

November 6, 1996

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OIL CON. DIV.
DEC. 8

Merrion Oil & Gas Corporation
610 Reilly Avenue
Farmington, New Mexico 87401
Attention: Steven S. Dunn

Administrative Order NSL-3734

Dear Mr. Dunn:

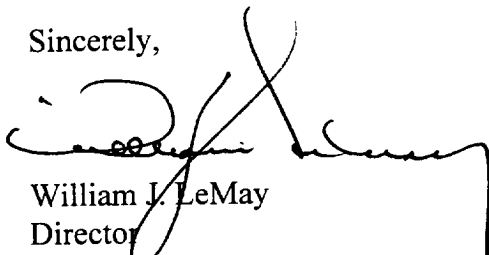
Reference is made to your application dated October 21, 1996 for a non-standard oil well location for the purpose of completing an efficient production/injection pattern within the Media Entrada Pressure Maintenance Project, established by Division Order No. R-4277.

It is our understanding that the proposed Media Entrada Unit Well No. 9 is to be drilled 390 feet from the South line and 100 feet from the West line (Unit M) of Section 14, Township 19 North, Range 3 West, NMPM, Media-Entrada Oil Pool, Media Entrada Unit Area, Sandoval County, New Mexico.

Said well to be dedicated to the existing standard 160-acre Media-Entrada oil spacing and proration unit comprising the SW/4 of said Section 14 which is currently dedicated to the Media Entrada Unit Well No. 3, located at a standard oil well location 1980 feet from the South line and 330 feet from the West line (Unit L) of said Section 14.

By the authority granted me under the provisions of Rule 10 of the "*Special Rules and Regulations for the Media-Entrada Pressure Maintenance Project*", as promulgated by said Order No. R-4277, the above-described unorthodox oil well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec /
U.S. Bureau of Land Management - Albuquerque