

AD (4)

UNIT AGREEMENT

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

IN THE MATTER OF THE
HEARING CALLED BY THE OIL
CONSERVATION DIVISION FOR
THE PURPOSE OF
CONSIDERING:

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OIL CON. DIV.
DIST. 3

CASE NO. 11640
ORDER NO. R-10700

APPLICATION OF MERRION OIL & GAS CORPORATION FOR A UNIT
AGREEMENT, SANDOVAL COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 7, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 15th day of November, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Merrion Oil & Gas Corporation, seeks approval of its Hakuna Matata Unit Agreement and Area for all oil and gas in any and all formations underlying 1,000.00 acres, more or less, of State (280.00 acres or 28.00%), Federal (640.00 acres or 64.00%), and Indian Allotted (80.00 acres or 8.00%) lands in Sandoval County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof.

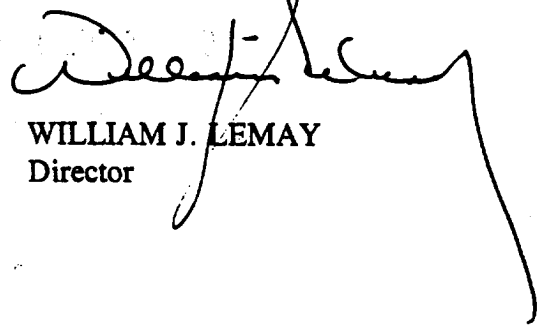
(3) No interested party appeared and objected to the proposed unit.

(4) All plans of development and operation, and creations, expansions or contractions of participating areas, or expansions or contractions of the unit area should be submitted to the Director of the Division for approval.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name and title.

WILLIAM J. LEMAY
Director

SEAL