



TONEY ANAYA  
GOVERNOR

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

October 10, 1984

Mr. Steve Dunn  
Merrion Oil & Gas Corp.  
P.O. Box 1017  
Farmington, NM 87499

Re: SOB Federal #1 E-8-25N-8W

Dear Steve:

Your recommended allocation of gas to the zones of the referenced well for NGPA purposes is hereby approved as follows:

Dakota 99%  
Gallup 1%

If you have any questions, please contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank T. Chavez".

Frank T. Chavez  
District Supervisor

FTC/dj

xc: Well File ✓

## MERRION OIL &amp; GAS CORPORATION

P. O. Box 1017  
FARMINGTON, NEW MEXICO 87499

September 27, 1984

New Mexico Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Attention: Mr. Frank Chavez

Re: SOB Federal No. 1  
NM 47169  
Sec. 8, T25N, R8W  
San Juan Co., New Mexico

Dear Mr. Chavez,

The Merrion Oil & Gas Corporation has completed the SOB Federal No. 1 as a Dufers Point Gallup-Dakota well. This well is located in an area approved by the NMOCD and FERC for tight gas pricing for the Dakota Formation.

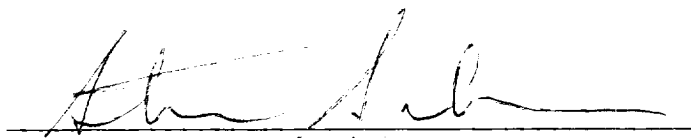
Therefore, although Dufers Point Field Rules allow commingling of the Gallup, Greenhorn and Dakota, it is necessary to arrive at an allocation formula for gas in order to properly settle for gas produced.

Based on the data attached, we request that the NMOCD approve an allocation formula as follows:

Dakota Formation	99.3%
Gallup Formation	0.7%

Yours truly,

MERRION OIL & GAS CORPORATION

  
Steve S. Dunn, Operations Manager

SSD/am

Enc.

**RECEIVED**  
SEP 28 1984  
OIL CON. DIV.  
DIST. 3

MERRION OIL & GAS CORPORATION

SOB Federal No. 1

REQUEST FOR ALLOCATION OF GAS

Dakota Completion: 30 BOPD Flowing 4640 MCF/Day

Gallup Completion: 12 BOPD Flowing 33 MCF/Day

Combined Rate: 4673 MCF/Day

$$\frac{\text{Dakota Production}}{\text{Dakota + Gallup Production}} - \frac{4640 \text{ MCF/Day}}{4673 \text{ MCF/Day}} = 99.3\%$$

$$\frac{\text{Gallup Production}}{\text{Dakota + Gallup Production}} - \frac{33 \text{ MCF/Day}}{4673 \text{ MCF/Day}} = 0.7\%$$

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