

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840

FARMINGTON, NEW MEXICO 87499

September 5, 1990

Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Michael E. Stogner

Re: Western #5 Non-standard Proration Unit
Basin Fruitland Coal Gas Pool
B-7-T26N-R11W
San Juan County, New Mexico

RECEIVED
SEP 06 1990
OIL CON. DIV.
DIST. 3

Our previous request for a non-standard proration unit (8-22-90 letter) was denied in your 8-30-90 letter, where you requested additional information. After review of the situation, we no longer feel a non-standard 160 acre location is needed, and request approval for a standard 320 acre proration unit in the E/2 of the section.

We had initially thought that both the NW/4 and SE/4 of the section had non-standard 160 acre proration units. Therefore, the only possible way to share in the coal production in the NE/4 was to form another 160 acre proration unit for the Basin Fruitland Coal. We now understand that the NW/4 and SW/4 both have 160 acre proration units, but the entire east half has no proration unit. We therefore rescind our request for a non-standard unit.

Attached for your review is a revised plat showing the 320 acre proration unit. We still need your approval for the non-standard location as outlined in our 8-22-90 letter.

Sincerely,

MERRION OIL & GAS CORPORATION



George F. Sharpe
Reservoir Engineer

GFS/l1s

cc: NMOCD, Aztec
Dugan Production Co.
Meridian Oil
J. P. McHugh
Beta Development Company
Well File