



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



BRUCE KING
GOVERNOR

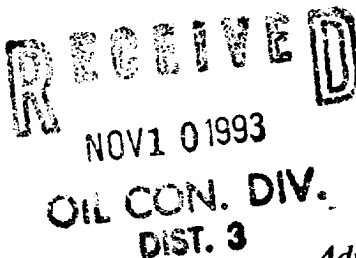
November 3, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87504
(505) 827-5800

ANITA LOCKWOOD
CABINET SECRETARY

Merrion Oil and Gas Corporation
P.O. Box 840
Farmington, NM 87499-0840

Attention: Steven S. Dunn



Administrative Order NSL-3326

Dear Mr. Dunn:

Reference is made to your application dated September 16, 1993, for a non-standard Basin-Fruitland coal gas well location for your existing Serendipity Well No. 1 which was drilled in 1983 and completed in the Bisti-Lower Gallup Oil Pool at a standard oil well location 1650 feet from the South line and 2310 feet from the East line (Unit J) of Section 26, Township 26 North, Range 13 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Bisti-Lower Gallup zone was properly plugged back and recompleted to the Basin-Fruitland Coal Gas Pool in December 1992, and pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, as amended, said location is now unorthodox. Further, the E/2 of said Section 26 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington
File: Case No. 10800



STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

Date: 9-30-93

Alvin Mike Stogner

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

RE: Proposed MC _____
Proposed NSL ✓ _____
Proposed WFX _____
Proposed NSP _____

Proposed DHC _____
Proposed SWD _____
Proposed PMX _____
Proposed DD _____

Gentlemen:

I have examined the application received on 9-29-93
for the Mexican SEBENDEPITY #1
OPERATOR LEASE & WELL NO.

I-26-36N-13W and my recommendations are as follows:
UL-S-T-R

Approve

Yours truly,

Ernest B. Smith

MERRION

OIL & GAS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 29, 1993

Mr. William Lemay
Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501-2088

RECEIVED
SEP 29 1993
OIL CON. DIV
DIST. 3

Subject: *Request for Administrative Approval for an Unorthodox Gas Well Location*

Serendipity No. 1, 1650'fsl & 2310'fel (ne se), Sec 26, T26N, R13W, San Juan, New Mexico

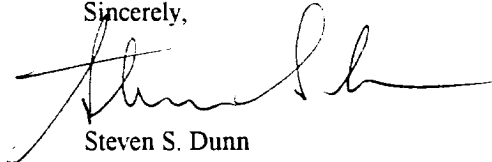
Dear Mr. Lemay:

Merrion Oil & Gas hereby requests administrative approval for an unorthodox gas well location for the Serendipity No. 1 Basin Fruitland well which is a recompletion of a well previously drilled to the Gallup horizon at an orthodox location for the Gallup.

By copy of this letter, all operators or owners of undrilled tracts offsetting the Serendipity location have been notified by certified mail of this application and are requested to forward a waiver to your office.

Completing this application, we have attached an Acreage & Well Location Plat which shows the ownership of all leases offsetting the proration unit for which the unorthodox location is requested and any wells completed thereon.

Sincerely,



Steven S. Dunn
Operations Manager

attachment: Acreage & Well Location Plat

cc: Aztec NMOCD

Merit Energy hereby waives objection to this application.

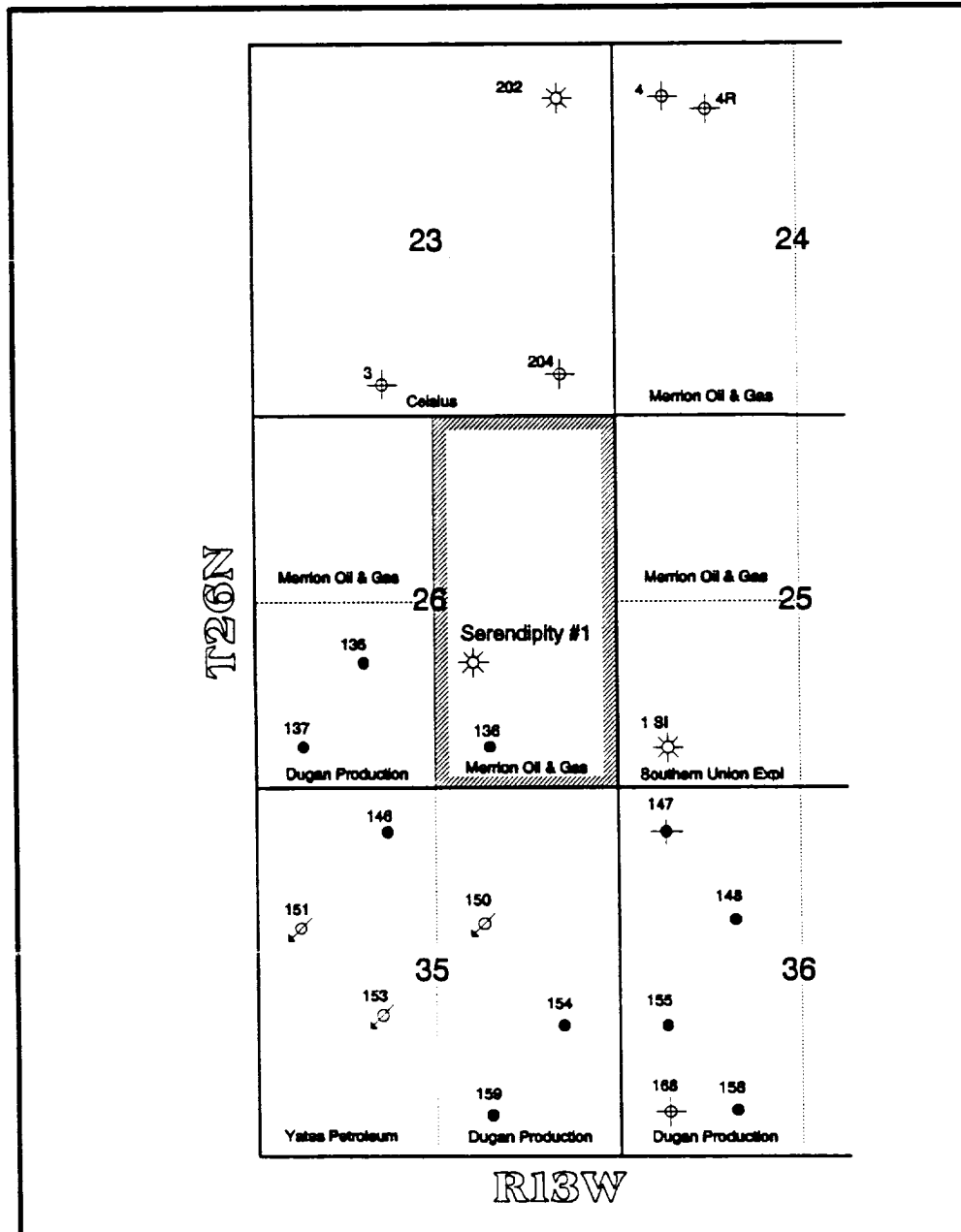
By: _____

Date: _____

Merrion Oil & Gas Corporation
Acreage & Well Location Plat
to support Unorthodox Location Request

Serendipity No. 1
 Basin Fruitland Coal
 1650' fsl & 2310' fcl
 Sec 26, T26N, R13W
 San Juan County, New Mexico

RECEIVED
 SEP 29 1993
 OIL CON. DIV
 DIST. 3



- 320 acre Proration Unit

- - Gallup Oil Well
- ☀ - Gas Well
- ⊕ - Dry Hole
- ⊖ - Plugged & Abandoned
- ⊗ - Water Injection Well