

MERRION

OIL & GAS

file
Q.D. - Aztec

July 15, 1997

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, New Mexico 87505

RECEIVED
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OIL CON. DIV.
DIST. 3

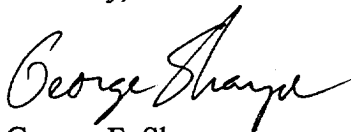
Re: Additional Information
Force Pooling Order R-10807, Case 11767
Powell #1 Unorthodox Coal Gas Well
H **Section 22, T 32N, R 13W**
San Juan County, New Mexico *Jones #1*

Dear Mr. Stogner:

Referencing your letter dated July 10, 1997, Merrion received approval for force pooling all uncommitted interests in the N/2 of Section 22, for the drilling of a Fruitland Coal well (Order R-10807). The order allowed Merrion to either drill a new well or to re-enter the Jones #1 (API 30-045-11367) well in that section. Please be advised that Merrion has chosen to drill a new well (Powell #1) because of the risk that the coal is damaged in the Jones #1. We have recently submitted an application for a non-standard location to that effect.

Please call me at (505) 327-9801, ext. 114 if additional questions arise.

Sincerely,



George F. Sharpe
Manager - Oil & Gas Investments

xc: Powell #1 Well File