State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey, Division Director Oil Conservation Division



December 9, 2013

Merrion Oil & Gas Corporation. Attn: Ms. Philana Thompson 610 Reilly Avenue Farmington, NM 87401

ADMINISTRATIVE SIMULTANEOUS DEDICATION ORDER

Administrative Order SD-201302 Administrative Application Reference No. pPRG1331043522

Operator:

Merrion Oil & Gas Corporation

OGRID:

14634

Subject Wells

State Pat Well No. 1A API No. 30-039-26177 1065 FNL & 1940 FWL; Unit letter C, Section 32, T30N, R7W, NMPM Rio Arriba County, New Mexico

Blueberry Buckle Com. Well No. 1 API No. 30-039-25415 790 FNL & 790 FWL; Unit letter D, Section 32, T30N, R7W, NMPM Rio Arriba County, New Mexico

Subject Unit

NW/4 (Unit letters C, D, E and F) of Section 32 160 acres Blanco; Pictured Cliffs Pool

Dear Ms. Thompson:

Reference is made to your application received on October 31, 2013.

You have requested to simultaneously dedicate the NW/4 of Section 32, Township 30 North, Range 7 West in Rio Arriba County, New Mexico, in the Blanco; Pictured Cliffs Pool

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(Pool Code 72359), to the above-described two wells. Applicable spacing rules allow only one gas well per standard 160-acre unit.

Your application on behalf of Merrion Oil & Gas Corporation (Merion) has been duly filed under the provisions of Division Rules 19.15.15.11C. NMAC and 19.15.4.12A.(2) NMAC.

It is our understanding Merrion has proposed the simultaneous dedication of this unit to the two wells described for geologic and engineering reasons, in order to prevent waste and maximize production from this unit.

We further understand that ownership of the subject unit and of all offsetting 160-acre units in this pool is identical, so that no notice of this application to offsetting operators or owners is necessary.

Pursuant to the authority granted by Rule 19.15.15.11C. NMAC, the above-described simultaneous dedication is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Jami Bailey Director

JB/prg

cc: New Mexico Oil Conservation Division – Aztec Office New Mexico State Land Office – Oil, Gas, and Minerals Division