

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



September 5, 2014

Merrion Oil and Gas Corporation  
Attn: Ms. Philana Thompson

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7151**  
**Administrative Application Reference No. pMAM1422758674**

**Merrion Oil and Gas Corporation**  
OGRID 14634  
**Chimichanga Well No. 3H**  
API No. 30-045-35502

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2000 FNL & 200 FEL	H	36	24N	9W	San Juan
Penetration Point	1980 FSL & 710 FEL	I	36	24N	9W	San Juan
Terminus	1980 FSL & 280 FWL	L	36	24N	9W	San Juan

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Entire Section 36	640	Basin Mancos	97232

Reference is made to your application received on August 15, 2014.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by the Special Rules for the Basin Mancos Gas Pool, which provides for 320-acre units with wells to be located at least 660 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

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It is our understanding that you are seeking this location to efficiently develop the reserves underlying Section 36.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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

Done at Santa Fe, New Mexico, on September 5, 2014.



Jami Bailey  
Director

JB/mam

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