NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

January 26, 1996

Merrion Oil & Gas Corporation P.O. Box 840 Farmington, New Mexico 87499-0840

Attn: Ms. Connie Dinning

Re: Request to Postpone SWD-613 Offset P&A Operations

Dear Ms. Dinning:

Reference is made to your recent request to postpone plug and abandonment procedures on the Eagle Mesa Well No.4 which offsets your Federal 11 'C' Well No.1, recently permitted for salt water disposal by Division Order SWD-613. The fact that logistically it would make more sense to complete operations on the proposed disposal well and then move the rig onto the offsetting well. In light of this, and after communicating with the supervisor of the Aztec district office, you are hereby granted an extension of 30 days in which to complete the P&A operations and may do subsequent to commencing with injection operations into the Federal 11 'C' Well No.1.

The above conditions are hereby made a part of Division Order SWD-613. All other provision of the Order shall remain in full force and effect.

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Sincerely,

William J. LeMay

Director

WJL/BES

cc: Oil Conservation Division - Aztec

SWD-613

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

January 5, 1996

Merrion Oil & Gas Corporation P.O. Box 840 Farmington, New Mexico 87499-0840

Attn: Ms. Connie Dinning

Re: Request to Waive Plastic Lined Tubing Requirement

Dear Ms. Dinning:

Reference is made to your recent request to waive the plastic lined tubing requirement in your Federal 11 'C' Well No.1, which was recently permitted as a salt water disposal well by Division Order SWD-613. Your letter indicates that the injected water will cause minimal corrosion, and additionally, the larger 4-1/2 inch tubing with its greater wall thickness will afford increased protection against such corrosion. In light of these facts, the requirement for plastic lined tubing is hereby waived and made a part of Division Order SWD-613.

Sincerely,

William J. LeMay

Director

WJL/BES

cc: Oil Conservation Division - Aztec

SWD-613