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DEC 22 1983

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December 22, 1983

HAND DELIVERED

(case. 8039

Mr. Joe D. Ramey, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

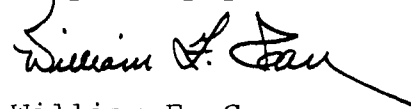
Re: Application of Merrion Oil and Gas Corp. for the Adoption
of the Special Pool Rules and Regulations for the Dufers
Point Gallup-Dakota Pool, Including 160-Acre Spacing and
Proration Units, San Juan County, New Mexico.

Dear Mr. Ramey:

Enclosed in triplicate is the Application of Merrion Oil and
Gas Corp. in the above-referenced case. Merrion Oil and Gas
Corp. requests that this matter be included on the docket for the
Examiner Hearing scheduled for January 4, 1984.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:ndb

Enclosures

cc: Mr. Gregory J. Merrion
Mr. Daniel S. Nutter

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF)
MERRION OIL AND GAS CORP. FOR THE)
ADOPTION OF THE SPECIAL POOL RULES)
AND REGULATIONS FOR THE DUFERS POINT)
GALLUP-DAKOTA POOL, INCLUDING 160)
ACRE SPACING AND PRORATION UNITS,)
SAN JUAN COUNTY, NEW MEXICO.)

CASE 8039

A P P L I C A T I O N

COMES NOW MERRION OIL AND GAS CORP., by and through its undersigned attorneys, and hereby makes application to the new Mexico Oil Conservation Division for adoption of Special Pool Rules and Regulations for the Dufers Point Gallup-Dakota Pool, San Juan County, New Mexico, including a provision for 160-acre oil well spacing and proration units, and in support thereof would show:

1. That the Applicant is an operator in and the owner of certain leases in the Dufers Point Gallup-Dakota Pool in San Juan County, New Mexico.

2. That on June 1, 1972, the Oil Conservation Commission entered Order No. R-4311 creating the Dufers Point-Dakota Pool (now the Dufers Point Gallup-Dakota Pool).

3. That this pool has been extended from time to time to include the following lands located in San Juan County, New Mexico:

Township 24 North, Range 8 West, N.M.P.M.

Sections 2 and 3: All
Section 4: SE/4
Section 10: All
Section 11: N/2
Section 12: W/2

Township 25 North, Range 8 West, N.M.P.M.

Section 7: N/2
Section 17: E/2
Section 18: W/2
Section 19: N/2, SW/4
Section 20: N/2, SE/4
Section 27: SW/4
Section 28: S/2
Section 29: E/2
Section 33: NE/4
Section 34: All
Section 35: W/2

Township 25 North, Range 9 West, N.M.P.M.

Section 12: All
Section 13: NE/4

4. That the Dufers Point Gallup-Dakota Pool is developed on 40-acre spacing and proration units under Oil Conservation Division Rule 104.

5. That present available information indicates that one well in the Dufers Point Gallup-Dakota Pool will economically and efficiently drain and develop a spacing and proration unit of 160 acres.

6. That in order to prevent waste which would result from the drilling of unnecessary wells and to provide for the orderly development of said pool, Special Pool Rules for the Dufers Point Gallup-Dakota Pool should be adopted providing for 160-acre oil spacing and proration units.

7. That granting this application will be in the best interest of conservation and the protection of correlative rights.

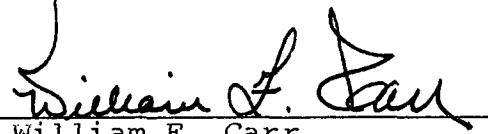
WHEREFORE, Applicant prays that this application be set for hearing before a Division Examiner on January 4, 1984 and that after notice and hearing as required by law, the Division enter its order adopting Special Rules and Regulations for the Dufers

Point Gallup-Dakota Pool to provide for 160-acre oil well spacing and proration units and granting such other and further relief as the Division deems proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By

A handwritten signature in dark ink, appearing to read "William F. Carr", written over a horizontal line.

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
ATTORNEYS FOR MERRION OIL
AND GAS CORP.