

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11329
ORDER NO. R-9079-A

**APPLICATION OF MERRION OIL & GAS CORPORATION TO AMEND
DIVISION ORDER NO. R-9079, TO EXTEND THE HORIZONTAL LIMITS OF
THE EXISTING HIGH ANGLE/HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT AREA, AND TO ADOPT ADDITIONAL SPECIAL
OPERATING RULES THEREFOR, MCKINLEY COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 7, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of September, 1995, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Merrion Oil & Gas Corporation, seeks to amend Division Order No. R-9079 by extending the project area approved therein to include the N/2 NW/4, SE/4 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 15 and the SE/4 NE/4 and NE/4 SE/4 of Section 16, of Township 19 North, Range 5 West, NMPM, Papers Wash-Entrada Oil Pool, McKinley County, New Mexico. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area.

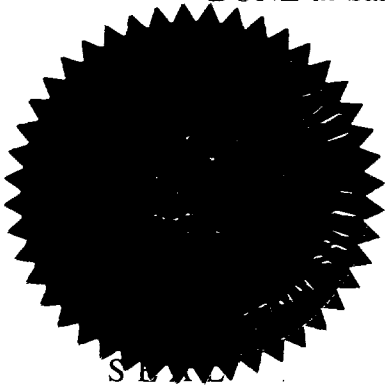
(3) On August 24, 1995 the Division issued Corrected Administrative Order DD-110(H), which order essentially authorized additional horizontal wellbores to be drilled within said area; thereby making this case unnecessary.

(4) This matter should therefore be dismissed.

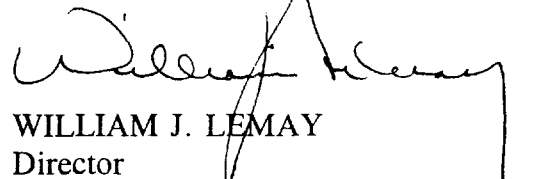
IT IS THEREFORE ORDERED THAT:

Case No. 11329 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director