

MERRION

OIL & GAS

NMOCD Examiner Hearing
May 1, 1997
Docket No. 13-97
Case No. 11766
Exhibit No. 12

February 26, 1997

To: All Interested Parties

Re: **Application of Merrion Oil & Gas**
Non-Standard Fruitland Coal Location
Havasu #1
Section 22, T32N, R13W
San Juan County, New Mexico

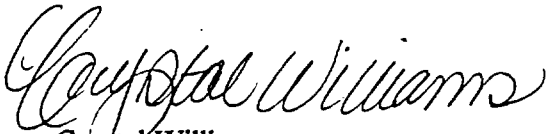
Ladies and Gentlemen:

Enclosed is a copy of the subject application. Merrion has requested that this matter be set for hearing before the NMOCD in Santa Fe, New Mexico on April 10, 1997. If you have comments or concerns about the application, then you must send a pre-hearing statement to the NMOCD by Friday, April 4, 1997.

Please call me with any questions at (505) 327-9801, ext. 102.

Sincerely,

MERRION OIL & GAS CORPORATION



Crystal Williams
Landman

xc: Well File
Hallwood Petroleum
Thompson Engineering



WALSH**ENGINEERING & PRODUCTION CORP.**

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892

**Merrion Oil & Gas
Attn. Crystal Williams
610 Reilly Av.
Farmington, NM 87401**

Re: Non-Standard Location

Dear Ms. Williams,

This letter is intended serve notice that Thompson Engineering & Production Corporation **does not** oppose the Non-Standard Location for the coal well that Merrion Oil & Gas has proposed to drill in Section 22, Township 32 North, Range 13 West.

Sincerely,

John C. Thompson
Engineer

cc: Chris Coleman
well file

Hallwood Petroleum, Inc.

4582 South Ulster Street Parkway • Stanford Place III • Suite 1700 • Post Office Box 378111
Denver, Colorado 80237 • (303) 850-7373

April 25, 1997

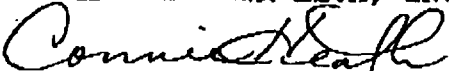
Merrion Oil & Gas
610 Reilly Avenue
Farmington, NM 87401
Attn: Ms. Crystal Williams

Re: Havasu #1
San Juan County, NM

Dear Crystal:

Please be advised that Hallwood Petroleum, Inc. is in receipt of your request dated February 24, 1997 as filed with the New Mexico Oil Conservation Division regarding your application for a non-standard drilling location. Hallwood Petroleum, Inc., does not oppose your application as filed.

Sincerely,
HALLWOOD PETROLEUM, INC.


Connie Heath
Landman