

MERRION

OIL & GAS

OIL CONSERVATION DIVISION
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*Set for
Training*

October 13, 1993

Mr. William LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87503

10865

**RE: APPROVAL FOR A SHORT-RADIUS HORIZONTAL DRILLING PROJECT
ARENA BLANCA No. 1**

Dear Mr. LeMay:

Merrion Oil & Gas Corporation hereby applies for authority to initiate a short-radius horizontal directional drilling pilot project in the Arena Blanca Entrada Pool in the N/2 SE/4 of Section 36, T20N, R5W, NMPM, McKinley County, New Mexico. A non-standard 80 acre proration unit will be dedicated to the well.

We propose to utilize the Arena Blanca No. 1 Entrada well located 2360' fsl and 1200' fel of Section 36, and will plug back from the existing Entrada interval, kick off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue to drill approximately 400 feet of horizontal drain hole in a westerly direction. Our target area will limit the horizontal displacement of the well's producing interval within 100 feet to the outer boundary of the 80 acre proration unit.

We further request that this application be placed on the Division's November 18, 1993 Hearing Docket.

Enclosed are two additional copies of this letter application.

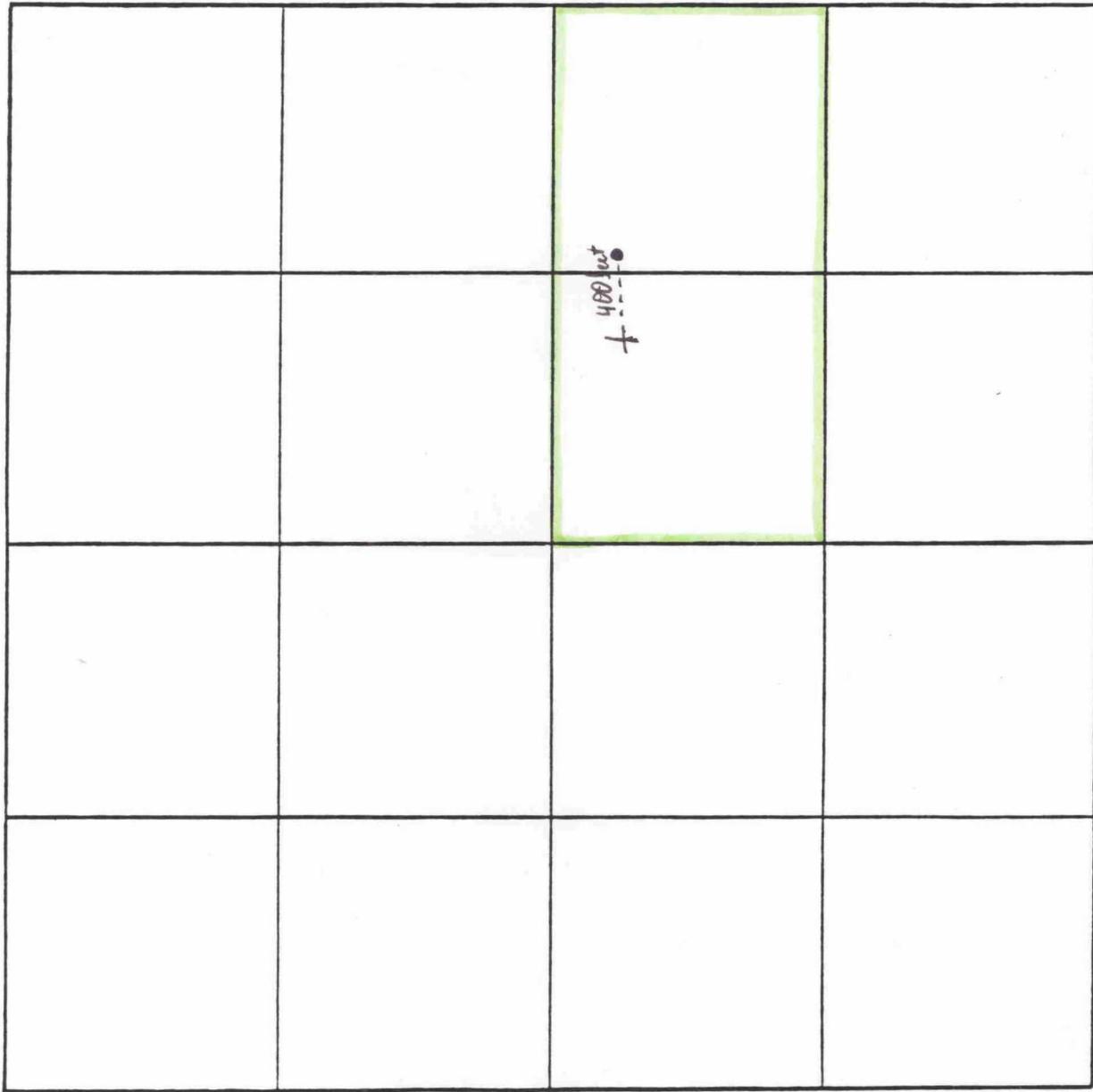
Sincerely,



Steven S. Dunn
Operations Manager

xc: Mr. Frank Chavez, NMOCD, Aztec, NM 87410
Mr. Tommy Roberts, PO Box 129, Farmington, NM 87499

Standard 640-acre Section



S.L. - 2360'FSL - 1200'FEZ.
400' horizontal
well here

Window designation
within 100' footer
boundary of unit.

SECTION 36

TOWNSHIP 20 North

RANGE 5 West



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 23, 1985

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Merrion Oil & Gas Corporation
P. O. Box 1017
Farmington, New Mexico 87499

Attention: Steve S. Dunn

Administrative Order NSL-2053

Gentlemen:

Reference is made to your application for a non-standard location for your Arena Blanca Well No. 1 to be located 2360 feet from the South line and 1200 feet from the East line of Section 36, Township 20 North, Range 5 West, NMPM, Entrada Formation, McKinley County, New Mexico. The NE/4 SE/4 of said Section 36 is to be dedicated to the well.

By authority granted me under the provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,

R. L. STAMETS, DIRECTOR

RLS/DC/dr

cc: Oil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
Bureau of Land Management - Farmington