Memo Florene Davidson
OC Staff Specialist

To October 29, 1992

Merrine Oil & Mas Corp.

Merrion Oil & Yas Corp. Und agreement Sandoval County Koch Mesallrit 10,823.16 acres Federal and State all of Sections 4 and 5 T18N, R3W all of Sections 9 thru11, 14 thru 17, 20 thru 22, 27 thru 29, 32 and 33 TI9N, R3W

Oil Conservation Division Santa Fe, New Mexico 87504-2088 827-5802

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State of New Mexico
Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501-2088

Call /0576

Attn: William J. Lemay, Director

Re: Application for Unit Agreement Merrion Oil & Gas Corporation Sandoval County, New Mexico

Gentlemen:

Please consider this letter the formal application of Merrion Oil & Gas Corporation for an order of the New Mexico Oil Conservation Division granting approval of the proposed Rock Mesa Unit Agreement for an area comprising 10,823.16 acres of federal and state lands located in Sandoval County, New Mexico and described as follows:

Township 18 North, Range 3 West, N.M.P.M.

Section 4: All Section 5: All

Township 19 North, Range 3 West, N.M.P.M.

Section 9: All Section 10: All Section 11: All Section 14: All Section 15: All Section 16: All Section 17: All Section 20: All Section 21: All Section 22: All Section 27: All State of New Mexico Energy, Minerals and Natural Resources Dept. October 16, 1992 Page 2

Township 19 North, Range 3 West, N.M.P.M. (continued)

Section 28: All Section 29: All Section 32: All Section 33: All

For your information and further reference, much of the evidence that is relevant to this application was presented to the Oil Conservation Division in Case No. 10478 -- an application by Merrion Oil & Gas Corporation seeking the creation of a new pool for the production of oil from the Fractured Mancos Shale formation underlying the lands described above. As the result of the submission of evidence in Case No. 10478, the Oil Conservation Division issued Order Nos. R-9701 and R-9701-A, pursuant to which the Rock Mesa-Mancos Oil Pool was created subject to temporary special rules and regulations. Because much of the evidence submitted in Case No. 10478 is relevant to the subject matter of the application of Merrion Oil & Gas Corporation for approval of the Rock Mesa Unit Agreement, I will request at the time of the hearing of this application that the record in Case No. 10478 be incorporated by reference into the record created with respect to this application.

This application was previously verbally communicated to the Oil Conservation Division with a request that it be placed on the October 29th, 1992 Examiner Hearing Docket.

Enclosed are two (2) additional copies of this letter application. Please advise should you require any additional information.

Sincerely,

TOMMY ROBERTS

TR/tlm Enclosures

cc: Merrion Oil & Gas Corp.
Attn: Steven S. Dunn
Operations Manager

Doming Roberts

New Mexico Oil Conservation Division District III Office 1000 Rio Brazos Road Aztec, New Mexico 87410 Attn: Frank Chavez, Supervisor