

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840
FARMINGTON, NEW MEXICO 87499OIL CONSERVATION DIVISION
RECEIVED

'94 APR 20 AM 8 50

April 18, 1994

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

Fax 827-5741
Attn: Mike Stogner

Attn: William J. Lemay, Director

Re: Application of Merrion Oil & Gas Corporation for
Approval of an Unorthodox Coal Gas Well Location
Gerber No. 2 Well
Rio Arriba County, New Mexico

10969

Gentlemen:

Merrion Oil & Gas Corporation proposes to drill its Gerber No. 2 Well at a location 790' from the North line and 790' from the West line of Section 32, Township 30 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico.

Consequently, please consider this letter the formal application of Merrion Oil & Gas Corporation for an exception to the requirements of Rule (7) of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool, as promulgated by Division Order No. R-8768, as amended, to permit the drilling of the well at an unorthodox coal gas well location.

In support of this application, Merrion Oil & Gas Corporation will, at the time of the hearing on the application, show that geological factors dictate the drilling of the well at an unorthodox coal gas well location.

All operators or owners of undrilled tracts offsetting the proposed location will be notified of this application by certified mail, and proof of such notice will be provided for the record at the time of the hearing.

William J. Lemay, Director
April 18, 1994
Page 2

Please place this application on the May 12, 1994 Examiner Hearing Docket.
Please advise should you require any additional information.

Sincerely,

MERRION OIL & GAS CORPORATION



George F. Sharpe
Manager - Oil & Gas Investments

cc: Supervisor, District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410
Bureau of Land Mangement - Farmington
Frank Chavez - NMOCD - Aztec
Tommy Roberts
Ken DuBroff
Cinco General Partnership
Meridian Oil
Well File