

EXHIBIT 10

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840
FARMINGTON, NEW MEXICO 87499

Case #10970
NMOCD Examiner Hearing
May 12, 1994
Merrion Oil & Gas

April 13, 1994

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

Re: Application for Unorthodox Location
Basin Fruitland Coal Pool
Carnahan Com #1
SE/4 Section 35, T30N, R12W
San Juan County, New Mexico

Dear Mr. LeMay:

Merrion requests administrative approval for an unorthodox Basin Fruitland Coal well in the SE/4, Sec. 35, T30N, R12W of San Juan County, New Mexico. The well is at a standard footage location (990' FSL & 990' FEL), but it is considered non-standard due to the NE-SW dedicated pattern established by the Basin Fruitland Coal Pool. We plan to recomplete the Carnahan #1, an existing Mesaverde well, into the Basin Fruitland Coal Pool and the Fulcher Kutz PC Pool. A separate application is being submitted for approval to downhole commingle these zones. Enclosed are the following in support of our application for the unorthodox Fruitland location.

- 1.) C-102 Plat;
- 2.) Plat showing offset owners/operators;
- 3.) Affidavit of notification of offset operators. Copies of the certified return receipts will be submitted when received.

Page 2
April 15, 1994

Please give me a call at 327-9801 if you have questions concerning this application.

Sincerely,

MERRION OIL & GAS CORPORATION



George F. Sharpe
Manager - Oil & Gas Investments

Waiver

_____ Hereby waives objection to this application.
Company

Name _____ Date: _____

xc: Tommy Roberts
Frank Chavez - NMOCD-Aztec
BLM-Farmington
Well File
Amoco Production
Conoco, Inc.
Meridian Oil, Inc.
Southland Royalties Inc.

MERRION OIL & GAS		
Application For Unorthodox Location Carnahan Com #1 Basin Fruitland Coal Pool		
SE/4	Sec 35, T30N, R12W	4/15/94
390' FSL & 990' FEL	Scale 1:24000	GFS/SEO

SL/4	Sec 35, T30N, R12W	4/15/94
390' FSL & 990' FEL	Scale 1:24000	GFS/SEO

FRUITLAND COAL SPACING UNIT

25

FEE AMOCO

MEFIDIAN

AMOCO

ALDOCO

III-498-13

1

— 100 —

CONOCO INC

**PROPOSED
FRUITLAND
RECOMPLETION**

COM-#

1000

MEFIDIAN

1