

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10888

APPLICATION OF MERRION OIL &
GAS CORPORATION FOR COMPULSORY
POOLING AND A NON-STANDARD GAS
PRORATION UNIT, RIO ARRIBA
COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by Merrion Oil & Gas Corporation as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Merrion Oil & Gas Corporation

Tommy Roberts

P.O. Box 840

P.O. Box 1020

Farmington, New Mexico 87499

Farmington, New Mexico 87499

Attn: George Sharpe

505/325-1801

505/327-9801

OPPOSITION OR OTHER PARTY

ATTORNEY

Doris Henderson

Not known

Harriett Buchenau

(It is not known whether Buchenau will oppose this application. All correspondence mailed to Henderson was returned as "undeliverable" and her whereabouts could not otherwise be ascertained by Applicant.

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with the application and the reasons therefore.)

Applicant seeks an order pooling all minerals interests in the Basin Dakota Pool underlying Lots 1-8 (N/2) of Section 24, Township 27 North, Range 7 West, forming a non-standard 352.07 acre gas spacing and proration unit. The proposed spacing and proration unit is currently dedicated to a well located in Lot 8 (SE/4NE/4). Applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4NW/4) and to simultaneously dedicate the spacing and proration unit to the two (2) wells.

Two (2) interest owners are the focus of the compulsory pooling application. Both are owners of a certain percentage of a production payment interest which, by the terms of its creation, converts to a working interest when production attributable to the lease and lands to which it applies falls below certain levels. Apparently, there is no operating agreement in effect applicable to these lands and interests.

Doris Henderson, one of the owners, could not be located by Applicant after diligent search and inquiry. All correspondence mailed to her has been returned to Applicant. Harriett Buchenau, the other owner, has advised representatives of Applicant that she does not believe she has a working interest. She has further stated that, if she does own a working interest, she would elect to have the interest force-pooled.

With respect to the non-standard spacing and proration unit issue, Applicant simply states that the boundaries of the N/2 of Section 24 have been established by governmental survey.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

NOT APPLICABLE TO APPLICANT'S STATEMENT

PROPOSED EVIDENCE

APPLICANT

	WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
1)	Crystal Williams - Landman	15 minutes	- Area Map - Lease Ownership Plat - Written correspondence - Proof of Notice - Pertinent Title Documents
2)	George Sharpe - Petroleum Engineer	30 minutes	- Authority for Expenditure - Operating Agreement - Evidence of Re-survey - Others as may be determined necessary

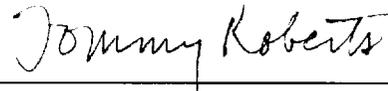
OPPOSITION

	WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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NOT APPLICABLE

PROCEDURAL MATTERS
(Please identify any procedural matters which
need to be resolved prior to the hearing)

NONE



TOMMY ROBERTS, Attorney for
Merrion Oil & Gas Corporation

DATED: December 9, 1993