

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

CASE NO. 9754
ORDER NO. R-9079-A

APPLICATION OF MERRION OIL AND GAS
CORPORATION FOR A HORIZONTAL DIRECTIONAL
DRILLING PILOT PROJECT, SPECIAL OPERATING
RULES THEREFOR, NON-STANDARD OIL PRORATION
UNIT, UNORTHODOX OIL WELL LOCATION, AND
SIMULTANEOUS DEDICATION, MCKINLEY COUNTY,
NEW MEXICO

NUNC PRO TUNC ORDER

BY THE DIVISION:

(1) It appearing to the Division that Order No. R-9079 dated December 14, 1989, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph No. (2) on page 1 of said Order No. R-9079 be and the same is hereby amended to read as follows:

"(2) The applicant, Merrion Oil and Gas Corporation, seeks the formation of an 80-acre non-standard oil spacing and proration unit in the Papers Wash-Entrada Oil Pool comprising the SW/4 NW/4 and the NW/4 SW/4 of Section 15, Township 19 North, Range 5 West, NMPM, McKinley County, New Mexico, for the purpose of initiating a horizontal drilling pilot project therein and to further promulgate special rules and provisions within said pilot project area including the designation of a target window limiting the horizontal displacement of a wellbore and special allowable considerations."

(2) Finding Paragraph No. (13) on page 3 of said Order No. R-9079 be and the same is hereby amended to read as follows:

"(13) Currently there is an existing Papers Wash-Entrada Oil Pool producing well within the proposed project area operated by the applicant, this being the Navajo Allotted 15 Well No. 4 located 2310 feet from the South line and 990 feet from the West line (Unit L) of said Section 15."

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(3) Decretory Paragraph No. (1) on page 3 of said Order No. R-9079 be and the same is hereby amended to read as follows:

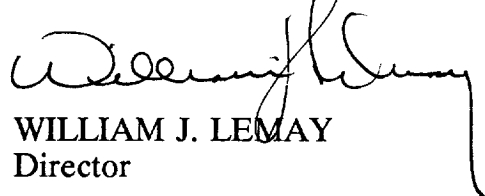
"(1) The application of Merrion Oil and Gas Corporation for a horizontal directional drilling pilot project consisting of the SW/4 NW/4 and NW/4 SW/4 of Section 15, Township 19 North, Range 5 West, NMPM, Papers Wash-Entrada Oil Pool, McKinley County, New Mexico, forming a non-standard 80-acre oil spacing and proration unit is hereby approved."

(4) All other references to the "Navajo Allotted "15" Well No. 5" made in Finding Paragraph No. (16) on page 3 and Decretory Paragraph Nos. (3) and (5) on page 4 of said Order No. R-9079 shall be amended to read "Navajo Allotted "15" Well No. 4".

(5) The corrections set forth in this order be entered nunc pro tunc as of December 14, 1989.

Done at Santa Fe, New Mexico, on this 1st day of February, 1990.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

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. 11329
ORDER NO. R-9079-A*

**APPLICATION OF MERRION OIL & GAS CORPORATION TO AMEND
DIVISION ORDER NO. R-9079, TO EXTEND THE HORIZONTAL LIMITS OF
THE EXISTING HIGH ANGLE/HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT AREA, AND TO ADOPT ADDITIONAL SPECIAL
OPERATING RULES THEREFOR, MCKINLEY COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 7, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of September, 1995, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Merrion Oil & Gas Corporation, seeks to amend Division Order No. R-9079 by extending the project area approved therein to include the N/2 NW/4, SE/4 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 15 and the SE/4 NE/4 and NE/4 SE/4 of Section 16, of Township 19 North, Range 5 West, NMPM, Papers Wash-Entrada Oil Pool, McKinley County, New Mexico. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area.

(3) On August 24, 1995 the Division issued Corrected Administrative Order DD-110(H), which order essentially authorized additional horizontal wellbores to be drilled within said area; thereby making this case unnecessary.

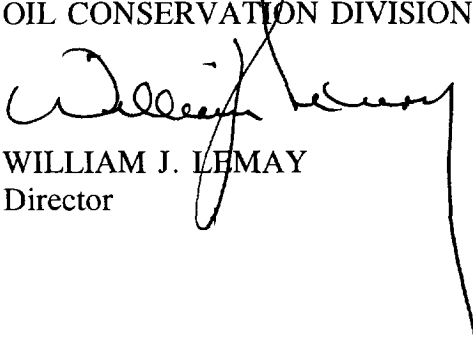
(4) This matter should therefore be dismissed.

IT IS THEREFORE ORDERED THAT:

Case No. 11329 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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