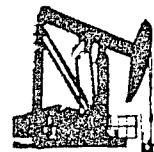




TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 16, 1986



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Merrion Oil & Gas Corp.
P. O. Box 840
Farmington, New Mexico 87499

Attention: Steve S. Dunn

Administrative Order NSL-2217

Gentlemen:

Reference is made to your application for a non-standard location for your NCRA State No. 8 well to be located 2350 feet from the North line and 2000 feet from the East line of Section 16, Township 24 North, Range 6 West, NMPM, Devils Fork Mesaverde Pool, Rio Arriba County, New Mexico. The SW/4 NE/4 of said Section 16 shall be dedicated to the well.

By authority granted me under the provisions of Rule 104 F(I), the above-described unorthodox location is hereby approved.

Sincerely,

R. L. STAMETS, DIRECTOR

RLS/DC/dr

cc: Oil Conservation Division - Aztec
Oil and Gas Division - State Land Office - Santa Fe