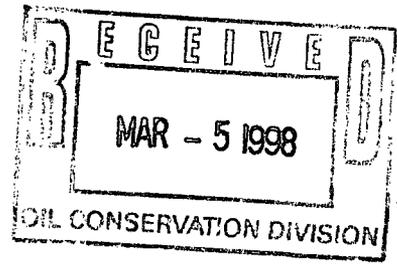


AMEND NSL 3/25/98



**MERRION**

OIL & GAS

March 3, 1998

~~Mr. David Catanach, Director~~  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

**Re: Application for Administrative Approval  
Non-Standard Location  
Nelson A-1  
WAW Fruitland Sands - Pictured Cliffs Pool  
NW/4 Section 9, T26N, R12W  
San Juan County, New Mexico**

Dear Mr. Catanach:

Merrion Oil & Gas Corporation recently submitted an application to recomplete the subject well from the Gallup Formation into the Fruitland Coal Formation (Order NSL-3925). After further review, we now plan instead to recomplete the well in the WAW Fruitland Sands-Pictured Cliffs Pool.

The well's location of 1980' FNL and 1978' FWL is at a non-standard setback from the spacing unit boundary. Therefore, Merrion requests your approval of a non-standard location.

The justification for the request is based on the ability to recomplete the existing well instead of drilling a new well. The well is uneconomic in the Gallup Formation and, unless recompleted, needs to be plugged out. The proposed recompletion would put the wellbore to beneficial use and save significant money over drilling a new well.

Attached in support of this application are the following:

- 1.) C-102 Plat

Page Two  
March 3, 1998

- 2.) Location plat showing offset operators.
- 3.) List of offset operators that received a certified copy of this application.

Please call me with any questions.

Sincerely,



George F. Sharpe  
Manager - Oil & Gas Investments

xc: Frank Chavez - OCD, Aztec  
BLM - Farmington

O:GSLemay5.doc

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-05953		<sup>2</sup> Pool Code 87190		<sup>3</sup> Pool Name WAW Fruitland Sand Pictured Cliffs	
<sup>4</sup> Property Code 007823		<sup>5</sup> Property Name Nelson A			<sup>6</sup> Well Number 001
<sup>7</sup> OGRID No. 014634		<sup>8</sup> Operator Name Merrion Oil & Gas Corporation			<sup>9</sup> Elevation 6005' GL

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	9	26N	12W	SENW	1980	north	1978	west	San Juan

<sup>11</sup> Bottom Hole Location If Different From Surface

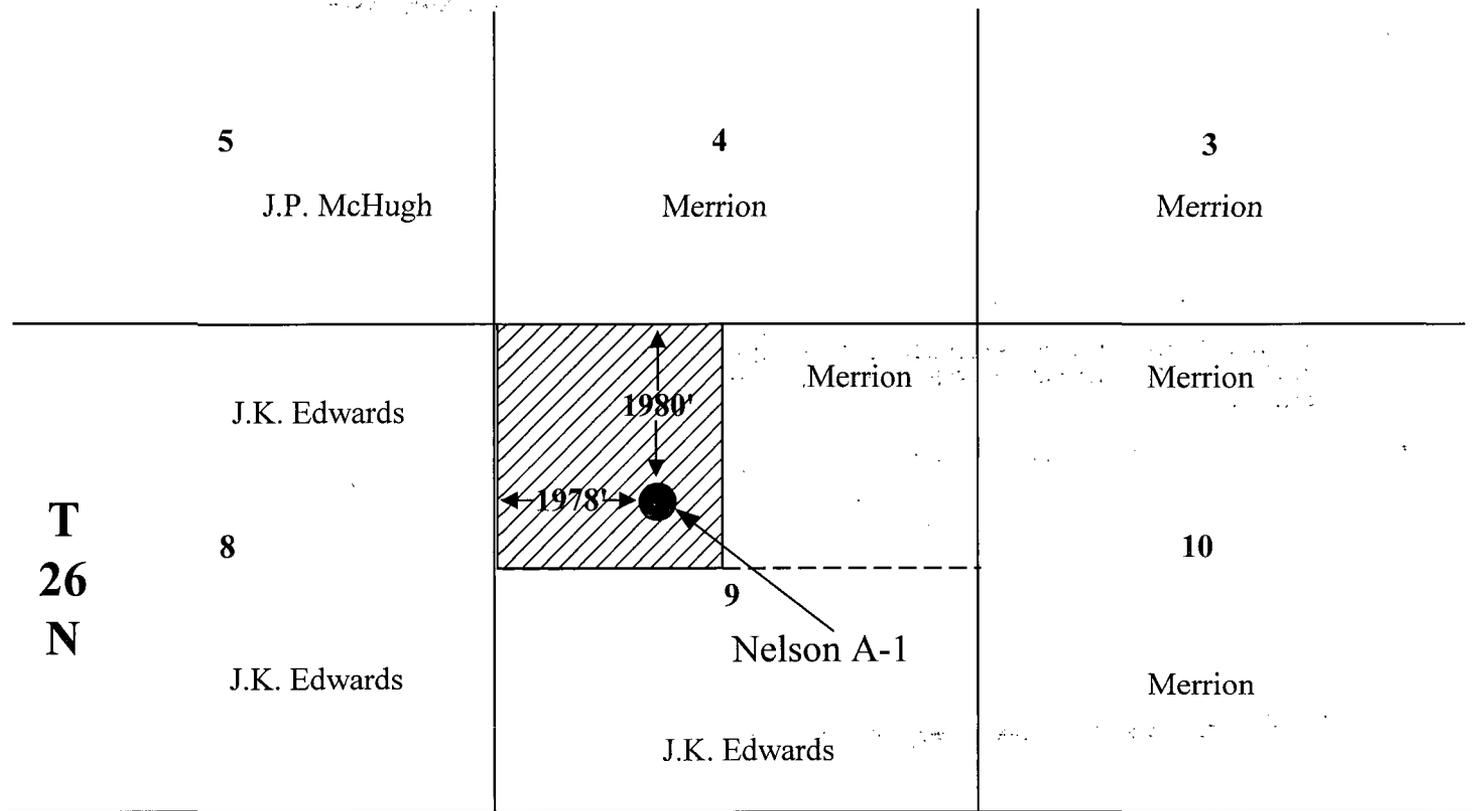
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>George Sharpe</i></p> <p>Signature George F. Sharpe</p> <p>Printed Name Oil &amp; Gas Investment</p> <p>Title</p> <p>Date March 3, 1998</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>

**EXHIBIT II  
NELSON A-1  
WELL LOCATION PLAT  
OFFSET OPERATOR PLAT  
T26N, R12W, San Juan County, NM**



**R 12 W**

**Exhibit III**

Application of Merrion Oil & Gas Corp.  
Non-standard WAW Fruitland Sands-Pictured Cliffs Location  
Nelson A-1 Well  
NW/4 Section 9, T26N, R12W  
San Juan County, New Mexico

The following offset operators received certified copies of this letter.

To: Offset Operators

Any objections to this application need to be made in writing to the NMOCD within 20 days from receipt of notice.

J K Edwards Associates, Inc.  
1401 17th Street, Suite 1400  
Denver, CO 80202

J P McHugh  
650 S. Cherry Street, Suite 1225  
Denver, CO 80222

**WAIVER**

\_\_\_\_\_ hereby waives any objection to this application.  
Company

Signature \_\_\_\_\_ Date \_\_\_\_\_

Please return to:

George F. Sharpe  
Merrion Oil & Gas Corporation  
610 Reilly Ave.  
Farmington, NM 87401

