

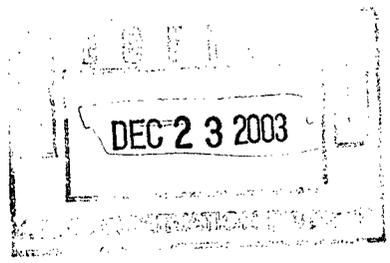
NSC

Susp: 1-12-2004

MERRION

Oil & Gas

December 15, 2003



Michael E. Stogner
New Mexico Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505

30-045-30420

**RE: Non-Standard Location Application, Merrion Oil and Gas
Blackshawl Com No. 1, API #30-045-30420
Fruitland Coal Pool
NE/4, Section 36, T30N, R13W
San Juan County, New Mexico**

Merrion Oil & Gas Corporation (MOG) requests administrative approval for a non-standard location for the subject well. We plan to add the Fruitland Coal in an existing non-standard wellbore approved under order number NSL-4550. Production will be commingled downhole with the Fulcher Kutz Pictured Cliffs pool.

The original well was drilled in a non-standard location for topographical reasons. The documentation for the original approval is attached. The C-102 for the Fruitland Coal is attached as well.

The well is encroaching on the SW/4 of Section 25, T30N, R13W as described in the original application. Merrion owns the only affected offset Fruitland Coal spacing unit. Therefore, no additional offset owners were notified.

If you need further information, please call me at (505)327-9801 ext. 126.

Sincerely

Connie S. Dinning
Production Engineer

Merrion as assumed in the previous (see the record) application, own 100% WI in the S/2 Unit of Sec. 25

District I
1625 N. French Dr., Hobbs, NM 88240

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

Form C-102
Revised August 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe. NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DEC 23 2003

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-30420		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 26927		⁵ Property Name Blackshawl Com			⁶ Well Number 1
⁷ OGRID No. 014634		⁸ Operator Name Merrion Oil & Gas			⁹ Elevation 5600' GR

¹⁰ Surface Location

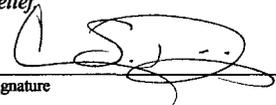
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	30N	13 W	NENE	493	North	743	East	San Juan

¹¹ 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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

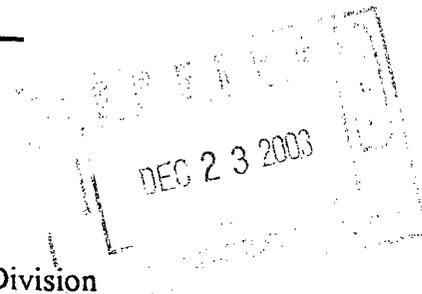
16				493' fnl	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Connie S. Dinning Printed Name Production Engineer Title December 10, 2003 Date
			Blackshawl Com No. 1	743' fel	
				1247' fel	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
			Bartens Park Com No.1	2479' fsl	

MERRION

OIL & GAS

January 8, 2001

Mr. Michael E. Stogner
New Mexico Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, New Mexico 87505



**RE: Application of Merrion Oil & Gas
Non-Standard Location
Blackshawl Com 1
Fulcher Kutz Pictured Cliffs Pool
NE/4 Section 36, T30N, R13W
San Juan County, New Mexico**

Dear Mr. Stogner:

Merrion Oil & Gas Corp. (Merrion) requests administrative approval for a non-standard location for the subject well for topographic reasons.

Enclosed in support of this application are the following:

- Exhibit 1: C-102 Plat
- Exhibit 2: Topographic Map (1963)
- Exhibit 3: Landowners Development Plat
- Exhibit 4: Offset Operator Plat

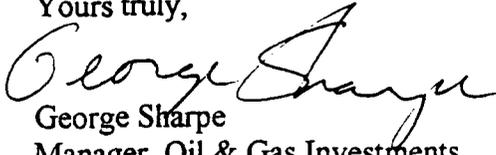
The well will be completed as a well in the Fulcher Kutz Pictured Cliffs Pool. The well is non-standard because it is only 493 feet from the northern boundary of the spacing unit. The well is staked within the Farmington City limits in a residential area.

Finding an acceptable drilling location within the city limits is a near impossibility. Merrion has worked with the landowner to place the location so as to minimize the impact on his development plans. As Exhibit 3 shows, the well is just north of future home sites. Moving the well south would mean the landowner would lose the ability to develop those lots.

The well is encroaching on the SW/4 of Section 25, T30N, R13W to the north of the location. Merrion is the owner and operator of the only affected offset Pictured Cliffs spacing unit. Therefore, no additional notification of offset owners was done.

Please call me at 505-327-9801 ext 114 if additional information is needed.

Yours truly,

A handwritten signature in cursive script, appearing to read "George Sharpe".

George Sharpe
Manager, Oil & Gas Investments

cc Frank Chavez, NMOCD – Aztec
Well File

S:\invest\gfs\2001\corres\blackshaw11 nonstd app

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

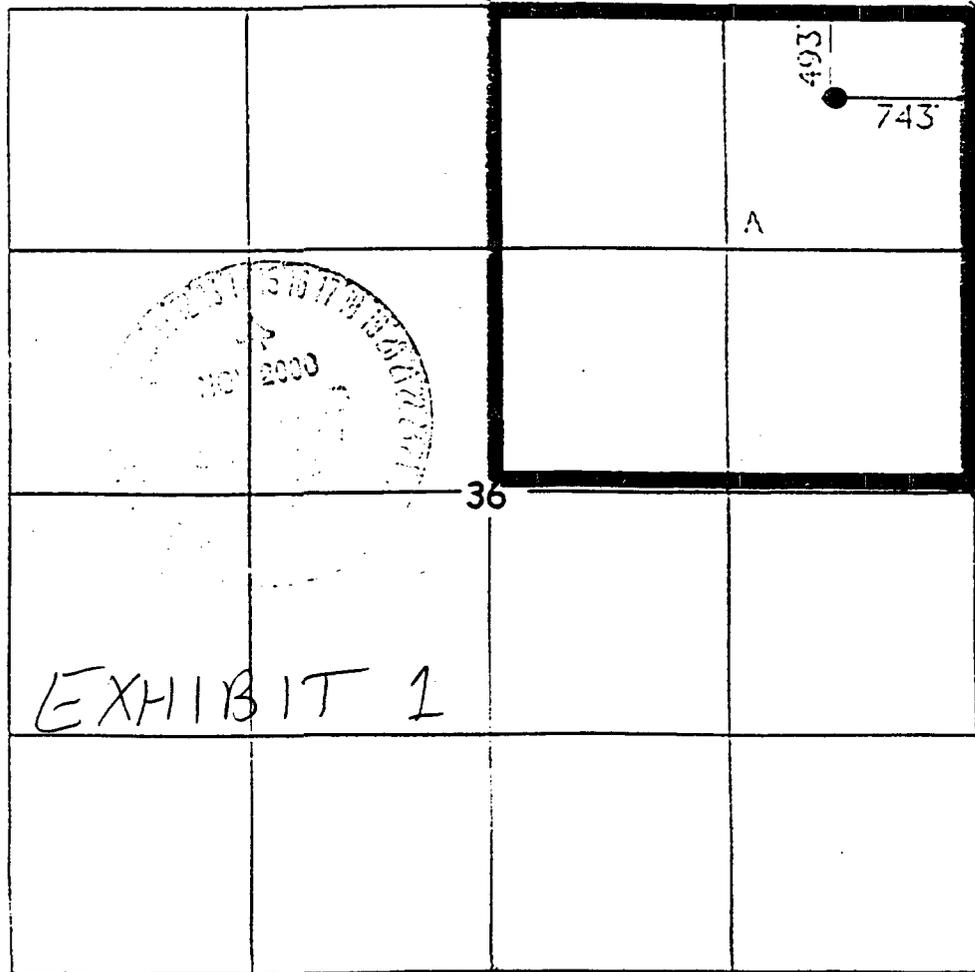
APA Number 30-045-30420	Pool Code 77200	Pool Name Fulcher Kutz
Property Code 26927	Property Name BLACKSHAWL COM	Well Number
GRID No. 014634	Operator Name MERRION OIL & GAS	Elevation 5600'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from North/South	Feet from East/West	East/West	County	
A	36	30 N.	13 W.	ne ne	493	NORTH	743	EAST	SAN JUAN

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from North/South	Feet from East/West	East/West	County	

Dedication 160	Joint ? Y	Consolidation C	Order No. Communitization in Progress
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NO ALLOWABLE WELL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Steven S. Dunn*

Printed Name: Steven S. Dunn

Title: Drilling & Production Manager

Date: November 10, 2000

SURVEYOR CERTIFICATION
I hereby certify that the well location 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.

Date of Survey: OCTOBER 2000

Signature of Surveyor: *Gerard S. Ruddleston*

Professional Seal: GERARD S. RUDDELESTON, REGISTERED LAND SURVEYOR, NEW MEXICO, 6844

EXHIBIT 1

**EXHIBIT 4
 OFFSET OPERATOR PLAT
 BLACKSHAWL COM 1
 NON-STANDARD LOCATION APPLICATION**

