

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840
FARMINGTON, NEW MEXICO 87499

August 19, 1987

Mr. Ernie Busch
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Off-Lease Measurement
Megabyte Com No. 1
2250' FNL and 750' FEL
Sec. 30, T26N, R2W
Rio Arriba County, New Mexico

Dear Mr. Busch:

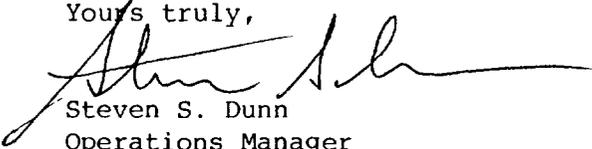
Merrion Oil & Gas Corp. requests administrative approval for off-lease measurement of casinghead gas with respect to the Megabyte Com No. 1 well. The casinghead gas from this well will be sold on the spot market via El Paso Natural Gas Company's pipeline system. El Paso has agreed to take the gas at a point described as the Alexander No. 3 well location in the SW/4 NW/4 Sec. 29, T26N, R2W, Rio Arriba County, New Mexico. El Paso will install a meter run and tap and we are required to lay line from the well to the metering point (see attached map).

Inasmuch as this would be the only well producing through this line we believe double measurement would be an economic waste and would not serve to increase accountability. Therefore, we propose to use the meter at El Paso's system in Section 29 for volume measurement.

Attached for your files is a copy of a previous off-lease measurement approval regarding a similar situation and involving the Enchilada No. 1.

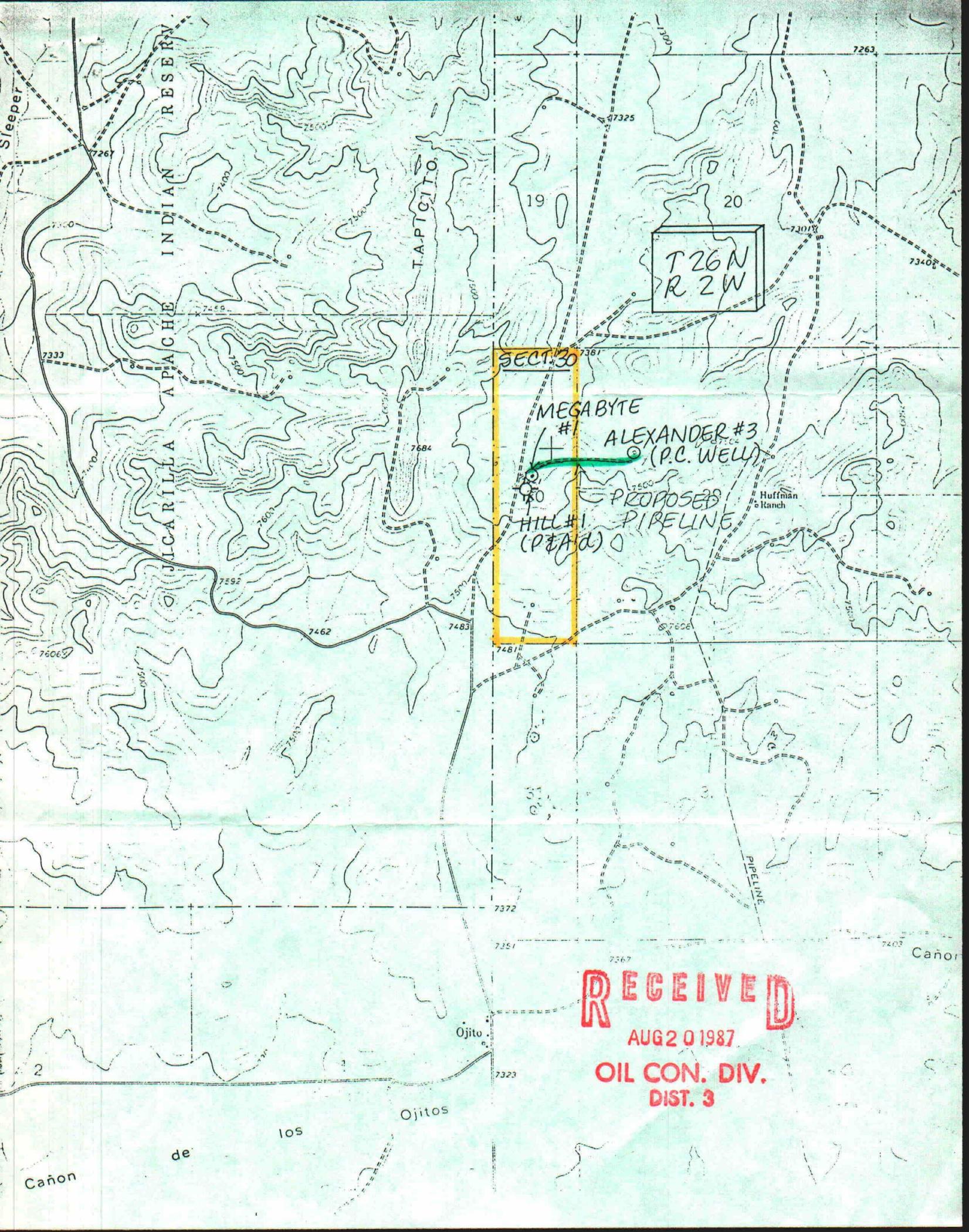
If further is required, please advise.

Yours truly,


Steven S. Dunn
Operations Manager

Attachments

RECEIVED
AUG 20 1987
OIL CON. DIV. J
DIST. 3



SLEEPER
INDIAN RESERVATION

JICARILLA
APACHE

TAPICITO

T 26 N
R 2 W

SECT. 30

MEGABYTE #1

ALEXANDER #3
(P.C. WELL)

HILL #1
(P&A)

PROPOSED
PIPELINE

Huffman
Ranch

RECEIVED

AUG 20 1987

OIL CON. DIV.
DIST. 3

Cañon

de

los

Ojitos

Ojito

Cañon

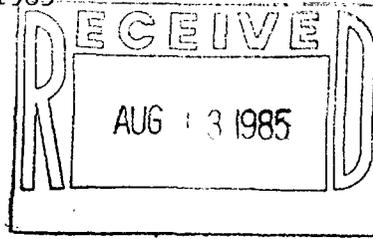


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

Handwritten mark

August 5, 1985

TONY ANAYA
 GOVERNOR



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

Merrion Oil & Gas Corporation
 P.O. Box 1017
 Farmington, New Mexico 87499

Attention: Steve S. Dunn

Re: OLM-6
 Enchilada No. 1 Well
 Section 16, T-23N, R6W
 Rio Arriba County, New Mexico

Dear Mr. Dunn,

Reference is made to your letter dated June 14, 1985 whereby you requested that the casinghead gas produced from the above referenced well be metered off-lease at the tie-in point to the Gallo Gathering System located in the NW/4 of Section 15, Township 23 North, Range 6 West.

Inasmuch as this is the only well producing through this line and double measurement would constitute economic waste, you are hereby authorized to meter the gas production from the above referenced well at the point described above but subject to the following conditions:

1. All flow lines shall be maintained in a safe and adequate condition and any leaks or failures must be reported to the Division.
2. All separation and liquids storage facilities shall be located on the originating lease.
3. The meters shall be read and maintained by the gas purchaser.
4. Federal and State approval is required where applicable.

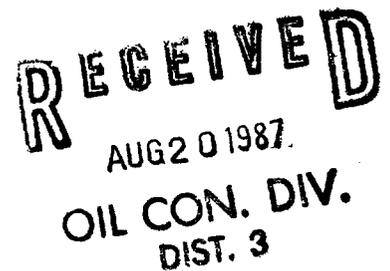
In addition, all production, storage, transportation, sales and other operations shall comply with Division Rules and Regulations. The gas transporter shall be notified of this approval.

Sincerely,

R. L. Stamets
 R. L. STAMETS
 Director

RLS/DC/et

xc: Oil Conservation Division - Aztec
 Bureau of Land Management - Farmington





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 8-20-87

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

RECEIVED
AUG 25 1987
OIL CONSERVATION DIVISION
SANTA FE

OLM X

Gentlemen:

I have examined the application dated 8-20-87
for the Merrion Oil & Gas Corp Megabyte Com #1 H-30-26N2W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

[Signature]

MERRION OIL & GAS CORPORATION

P. O. Box 1017
FARMINGTON, NEW MEXICO 87499

June 14, 1985

New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87499

Attention: Frank Chavez

Re: Enchilada No. 1
E-1207
NE/4 Sec. 16, T23N, R6W
Rio Arriba Co., New Mexico

Dear Mr. Chavez,

We request permission to meter gas on the above referenced well off lease. (Refer to attached map.) The casinghead gas from this well is going into the Gallo Gathering System operated by Dugan Production. The tie-in point is in the NW/4 of Sec. 15, T23N, R6W. There is a gas meter at the tie-in point and also on location. Since this is the only well going through the line, double measurement is unnecessary.

We propose to remove the meter on location and use the meter in the NW/4 of Sec. 15 for volume measurement.

If further is required, please advise.

Yours truly,

MERRION OIL & GAS CORPORATION

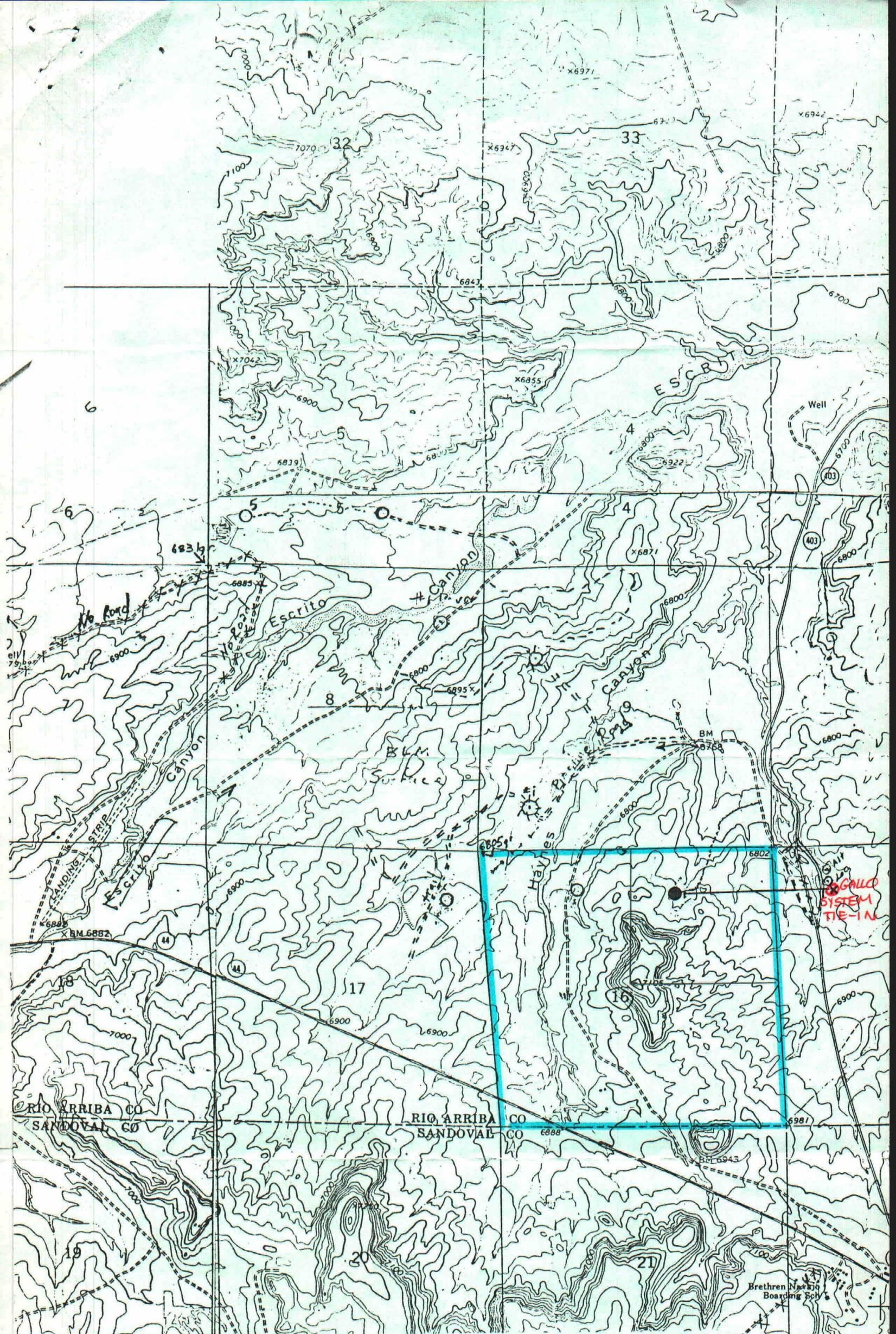


Steve S. Dunn, Operations Manager

SSD/am

Enc.

RECEIVED
JUN 18 1985
CON. DIV.
DIST. 3



Vicinity Map for
MERRION OIL & GAS CORP. #1 ENCHILADA
860'FNL 1825'FEL Sec. 16-T23N-R6W
RIO ARRIBA COUNTY, NEW MEXICO