

dugan production corp.



April 24, 1989

New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088

Attn: Mr. William LeMay

RE: Merrion Oil and Gas Corporation's

Ápplication for Non-Standard

Spacing Unit
Pete No. 1R
T27N-R12W, Sec. 35
San Juan County, NM

Gentlemen:

Reference is made to an application filed by Merrion Oil and Gas Corporation for administrative approval of a non-standard spacing unit covering the SE/4 of Section 35-27N-12W.

Please be advised that Dugan Production Corp, an offsetting leasehold operator, has no objection to Merrion's request for administrative approval of a non-standard spacing unit covering the SE/4-Section 35-27N-12W.

Sincerely.

Richard Corcoran

Landman

RC/mmm

cc: Steven S. Dunn

Merrion Oil and Gas Corporation

MECEIVED

APR 2 8 1989

OIL CONSERVATION DIV.

MERRION OIL & GAS CORPORATION

-610-REILLY-AVE P.O. BOX 840

FARMINGTON, NEW MEXICO 87499

fire. 4/20/89

April 17, 1989

New Mexico Oil Conservation Department 310 Old Santa Fe Trail Room 206 Santa Fe, New Mexico 87503

Attention: Mr. Michael Stogner

Subject: Application for Nonstandard Proration Unit

Basin Fruitland Pool

Pete No. 1R

Sec. 35, T27N, R12W

San Juan County, New Mexico

Dear Mr. Stogner:

By this letter Merrion Oil & Gas Corporation requests administrative approval for a Nonstandard Provation Unit for the Pete No. 1R well in accordance with the provisions of Order No. R-8768, Section No. 5.

The Pete No. 1R was a productive well prior to the existence of the Basin Fruitland pool which was established by Order R-8768 on November 1, 1988. This well is drilled on an Indian Allotted Lease, No. NOO-C-7471, consisting of 160 acres and described as the SE/4 of Section 35, T27N, R12W, San Juan County, New Mexico. The offset acreage to the North is also an Indian Allotted Lease, No. NOO-C-7472, consisting of 160 acres of differing ownership and upon which Fruitland Coal seam production exists from the Da On Pah No. 1 well. Consequently, we have two leases with different ownership. The Pete No. 1R is a much poorer producer than the offset well. Therefore we do not believe it is feasible to communitize the E/2 of Section 35 inasmuch as such an arrangement would be inequitable to the Royalty owners of the lease with the better well.

Merrion has notified, by certified mail, the offsetting operators or lessees of this application and has requested written waivers to be submitted.

Enclosed for your review and approval are a lease map of the affected area along with a C-102 acreage dedication plat for the subject well.

N.M. Oil Conservation Dept. April 17, 1989

Page 2

If you require further information or wish to discuss this application, please give me a call.

Yours truly,

Steven S. Dunn Operations Manager

SSD:ks Enc.

cc: Mr. Ernie Busch

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

P. O. BOX 2088

ENERGY AND MINERALS DEPARTMENT SANTA FE, NEW MEXICO 87501

Form C-102 Revised 10-1-78

All distances must be from the outer boundaries of the Section.

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Forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division CERTIFICATION I hareby certify that the information contained free in its true and complete to the last of my knowledge and belief. Non-Standard free in its true and complete to the last of my knowledge and belief. Standard free in its true and complete to the last of my knowledge and belief. Thereby certify that the well facotion shown on this plat was platted from field notes of actual surveys made by new woulder my supervision, and that the same its true and correct to the last of my knowledge and belief. Date Surveyed Requirement of the last of my knowledge and belief. Date Surveyed Requirement of the last of my knowledge and belief.	2. If more that interest and 3. If more than dated by con Yes [If answer is this form if	n one lease is royalty). one lease of communitization, No If a "no," list the necessary.)	dedicated to the different ownership unitization, force-p namer is "yes," ty owners and tract	well, outling is dedicate cooling, etc? pe of consolutions	e each and ide d to the well,	ntify the ownership thave the interests of tually been consolid	thereof (both as to working f all owners been consoli-
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		-					Curveyor
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P.O. Box 552 Midland, Texas 79702 Telephone 915/682-1626

May 26, 1989

State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501-2088

Application for Non-Standard Proration Unit - Merrion Oil & Gas

Our Lease NM-3073 - U.S.A. Lease SF-07911-C

NM-3074 - U.S.A. Lease SF-07911-A

Sections 25 & 26, T-27-N, R-12-W,

Our West Kutz Area

San Juan County, New Mexico

Gentlemen:

Merrion Oil and Gas (Merrion) has applied to the New Mexico Oil Conservation Division (NMOCD) requesting administrative approval for a non-standard proration unit for the Pete No. 1R well located 1740' FSL and 870' FEL of Section 35, T-27-N, R-12-W, San Juan County, New Mexico.

Please be advised that Marathon, as an offset operator to the above well, has reviewed the above and has no objection to Merrion's application.

Please contact this office as to any questions you may have concerning this matter.

Very truly yours,

MARATHON OIL COMPANY

Attorney-in-Fact

JFS/SMD; mmc'

xc: Merrion Oil and Gas Corporation

P. O. Box 840

Farmington, New Mexico 87499-0840

Attention: Mr. Steven S. Dunn

DECENVED.

MAY 30 1989

OIL CONSERVATION DIV. SANTA FE



May 1, 1989

New Mexico Oil Conservation Commission Post Office Box 2088 Santa Fe, New Mexico 87504

RE: Non-Standard Proration Unit Application

Basin Fruitland Pool

Pete No. 1R

Section 35-27N-12W

San Juan County, New Mexico

Gentlemen:

This will advise you that DEKALB Energy Company (formerly DEPCO, Inc.) waives any objection to Merrion Oil & Gas Corporation's application for a Non-Standard Proration Unit for its Pete No. 1R.

Sincerely,

DEKALB Energy Company

MAY - 3 1989

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OIL CONSERVATION DIV.

Land Department

K. G. Ranum

KGR/jas

xc: Merrion Oil & Gas Corporation

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P.O. Box 840

Farmington, NM 87499

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(303) 592-4600 FAX (303) 592-5901 April 20, 1989

NM Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico

APR 24 1989 OIL CO PERVETION DIV. SUTIA FE

Subject: Application for Nonstandard Proration Unit Basin Fruitland Pool Merrion Oil and Gas

Pete No. 1-R Sec 35, T27N, R12W

San Juan Co., New Mexico

Gentlemen:

Hixon Development Company has been informed of the referenced application and has no objections to it being approved.

Very truly yours,

Aldrich L. Kuchera

President and Chief Executive Officer

ALK: jab



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410

OIL CONSERVATION DIVISION BOX 2088 SANTA FE, NEW MEXICO 87501	(505) 334-6178
RE: Proposed MC	MAY - 4 1989 OIL CONSERVATION DIV. SANTA FE
Gentlemen:	
for the Mexicon Old Costay Operator	ed 4-19-89 2 Pete #18
and my recommendations are as follo	W5:
Yours truly,	
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Ext: All Sec 36 (R-5596, 1-1-78) Exr: 14 Sec. 35 (R-644, 8-1-80
Extend horizontal limits to include Pictured Cliffs (R-6886, 1-22-82)
Ext. 10/4 Sec. 33, 5/2 and 100/4 Sec 34 (R-7495, 4-5-84)
Ext: 54 Sec. 75 (K-7764, 1-8-85)
Ext. W/2 sec. 28, NSA sec. 29, NW/4 sec. 33 (A-8022, 8-22-85)
REDESIGNATED (R. 2769, 10/17/88) EXT: SWH Sec 35 (R-8915, 4-24-89)
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