



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 12, 1999

Merrion Oil & Gas Corporation
610 Reilly Avenue
Farmington New Mexico 87401
Attention: George F. Sharpe

Telefax No. (505) 326-5900

Administrative Order NSL-4342

Dear Mr. Sharpe:

Reference is made to your application dated July 21, 1999 for an off-pattern non-standard Basin-Fruitland coal gas well location for Merrion Oil & Gas Corporation's proposed Hi Roll Well No. 5 to be drilled 810 feet from the South line and 1355 feet from the East line (Unit O) of Section 35, Township 27 North, Range 13 West, NMPM, San Juan County, New Mexico. The E/2 of Section 35 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

By the authority granted me under the provisions of Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

Lori Wrotenberg by DMC

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec