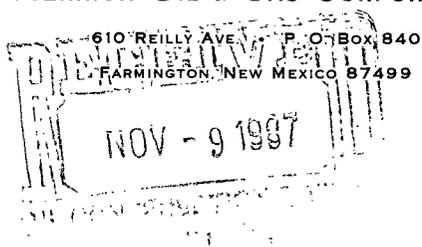


Release Date: November 29, 1987

By Dec

PH. 505-327-9801

MERRION OIL & GAS CORPORATION



November 5, 1987

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Silky Sullivan No. 1
1670' FNL and 2290' FWL
Sec. 15, T21N, R7W
Sandoval County, New Mexico

NSL-2445
RULE-104 F (E)

Dual Completion
Wildcat Pictured Cliff
and Chacra Gas Pools
160 Acres decd
NW/4 Section 15

Dear Sir:

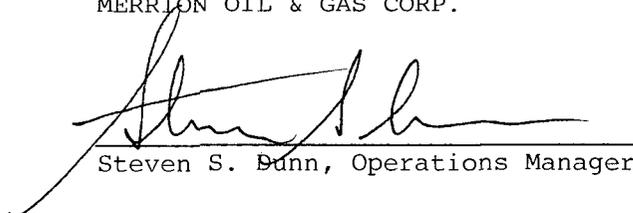
Pursuant to oil Conservation Division Rule No. 104 Subsection F concerning unorthodox locations, Merrion Oil & Gas Corp. requests administrative approval for an exception to the statewide well location requirements for the subject well. The necessity for an unorthodox location resulted from the drilling of this well to a deeper horizon, the Mesaverde formation, where oil production was anticipated. However, the well was subsequently plugged back and completed in shallower Pictured Cliffs and Chacra gas zones.

Certified letters have been sent to the offsetting operators advising them of this application.

Thank you for your assistance in this matter.

Yours truly,

MERRION OIL & GAS CORP.

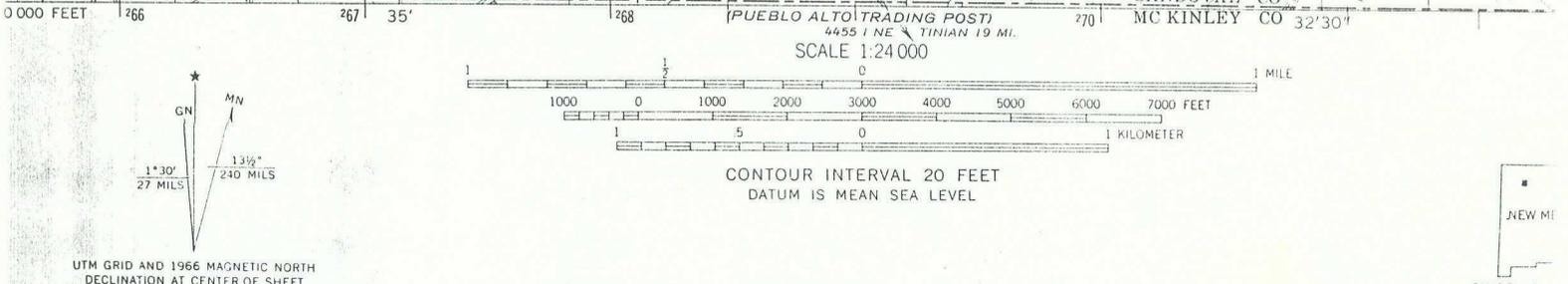
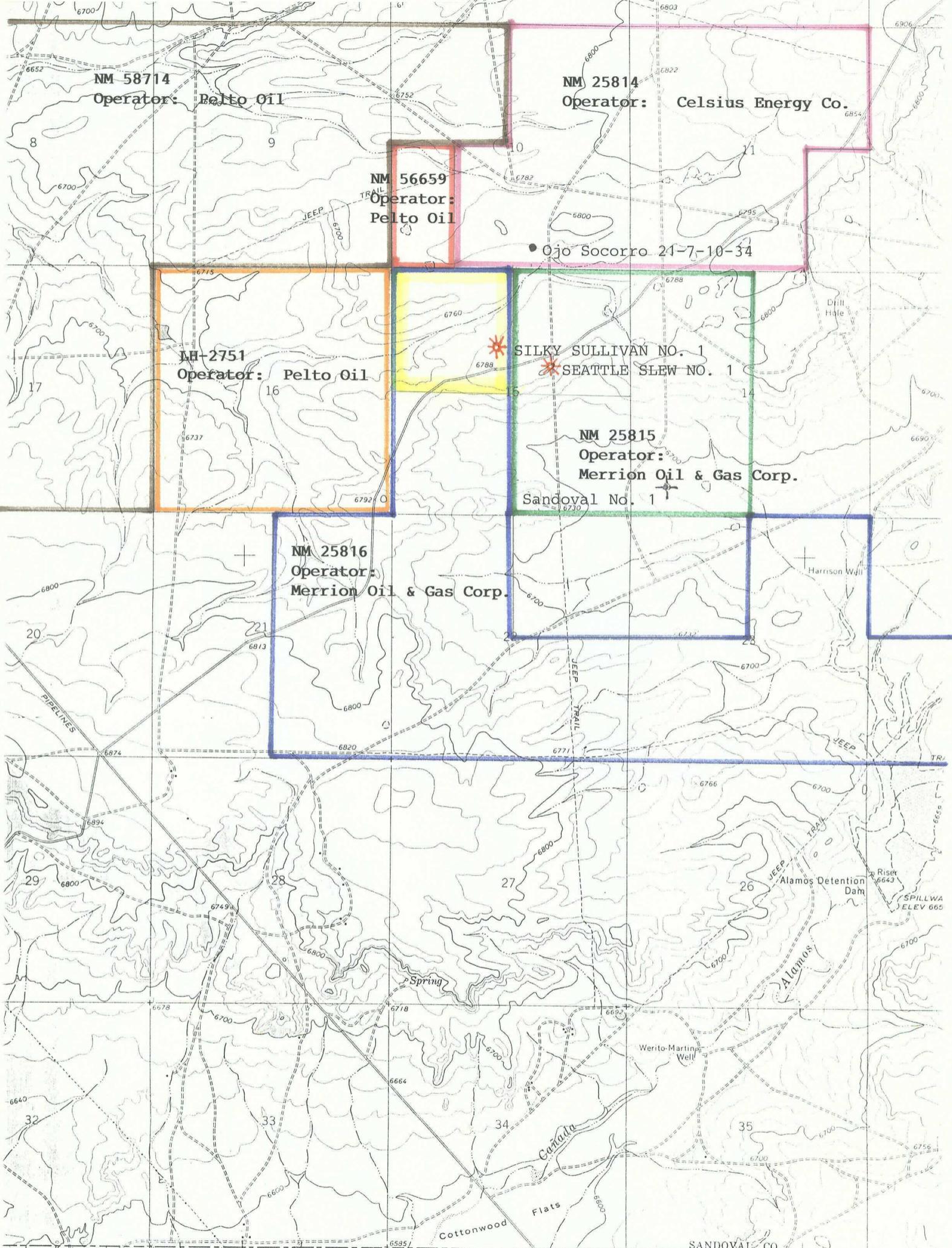

Steven S. Dunn, Operations Manager

Enclosure

MERRION OIL & GAS CORP.

SILKY SULLIVAN NO. 1

1670' FNL and 2290' FWL
Sec. 15, T21N, R7W
Sandoval County, New Mexico





NOV 18 1987
November 18, 1987

*David
C. Jowach*

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Attention: Mr. F. T. Chavez, Supervisor

Re: Merrion Oil & Gas Corporation No. 1
Silky Sullivan Well
1670' FNL and 2290' FWL, Sec. 15,
T21N, R7W
Sandoval County, New Mexico

Gentlemen:

In accordance with the letter request of Merrion Oil & Gas, per the attached letter, this is to advise that Pelto Oil Company has no objection to the captioned unorthodox location as shown on the attached plat.

Please advise if you have any further questions.

Very truly yours,

PELTO OIL COMPANY

G. B. Murrell
Vice President - Land

GBM:jm:J63/90
Attachment

cc: Merrion Oil & Gas Corporation
P. O. Box 840
Farmington, New Mexico 87499
Attention: Mr. Steven S. Dunn

RECEIVED
NOV 20 1987
OIL CON. DIV.
DIST. 3

MERRION OIL & GAS CORPORATION

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

November 5, 1987

Pelto Oil Company
500 Dallas Street, No. 1800
Houston, Texas 77251

Re: Seattle Slew No. 1
2000' FNL and 1650' FEL
Sec. 15, T21N, R7W
Sandoval County, New Mexico

Gentlemen:

The enclosed map shows the location of the above well and your lease offsetting it.

We have requested administrative approval for this unorthodox location and request you, as an offset operator, advise the New Mexico Oil Conservation Division if you have no objection to the proposed location.

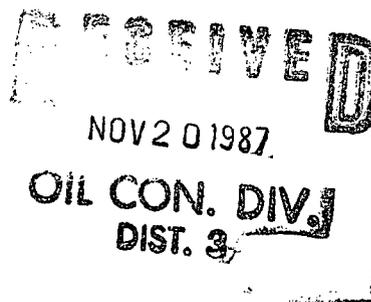
If you have any questions, please call.

Yours truly,

MERRION OIL & GAS CORP.


Steven S. Dunn, Operations Manager

Enclosure



MERRION OIL & GAS CORP.

SEATTLE SLEW NO. 1

2000' FNL and 1650' FEL
Sec. 15, T21N, R7W
Sandoval County, New Mexico

NM 25814
Operator: Celsius Energy Co.

NM 56659
Operator: Pelto Oil

Ojo Socorro 21-7-10-34

SILKY SULLIVAN NO. 1
SEATTLE SLEW NO. 1

NM 25815
Operator: Merrion Oil & Gas Corp.
Sandoval No. 1

NM 25816
Operator: Merrion Oil & Gas Corp.

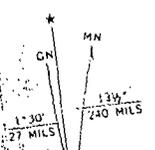
SANDOVAL CO
MC KINLEY CO 32 30'

(PUEBLO ALTO) TRADING POST
4.55 MI. N. TINTIAN 19 MI.

SCALE 1:24,000



CONTOUR INTERVAL 20 FEET
DATUM IS MEAN SEA LEVEL



MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS