



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

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SANTA FE, NEW MEXICO 87504
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April 25, 1991

Merrion Oil & Gas Corporation
PO Box 840
Farmington, NM 87499

Attention: George F. Sharpe

Administrative Order NSL-3002

Dear Mr. Sharpe:

Reference is made to your application dated December 20, 1990 for a non-standard gas well location for your Snake Eyes Well No. 2 located 1980 feet from the South and West lines (Unit K) of Section 20, Township 21 North, Range 8 West, NMPM, to test the Snake Eyes-Dakota "D" Gas Pool, San Juan County, New Mexico. Whereby the W/2 of said Section 20 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

It is our understanding that the subject well was originally drilled to a depth of 4630 feet and completed in the Snake Eyes - Dakota "D" Gas Pool in October/November 1971 by Tenneco Oil company. By virtue of the provisions of the second Decatory Paragraph Nos. (1) and (2) of Division Order No. R-4343 this location was "grandfathered" in as unorthodox for said pool. In July/August 1973 the Dakota zone was abandoned and the well was deepened to a total depth of 5629 feet by James P. Dunigan, Inc. to test the Entrada formation. It tested dry and on August 3, 1973 this well was plugged and abandoned.

At this time, the applicant has made a proper filing pursuant to Rule 5 of the Special Rules and Regulations for the Snake Eyes - Dakota "D" Gas Pool, as promulgated by said Order No. R-4343; therefore, Merrions' request to re-enter and recomplete said pool at an unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/cjk

cc: Oil Conservation Division - Aztec