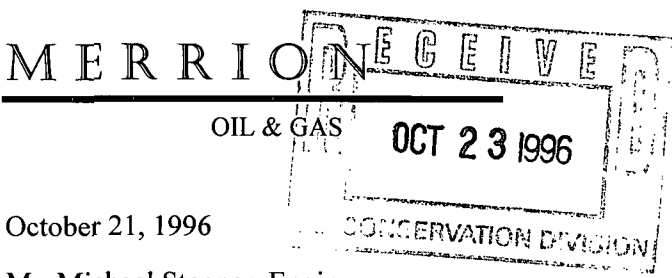


NSL 11/12/96



NSL-WF NW
NSL - Pm NW

October 21, 1996

Faxed & Mailed

Mr. Michael Stogner, Engineer
New Mexico Energy, Minerals & Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

Subject: Request for Non-Standard Location Approval: MEU No. 9

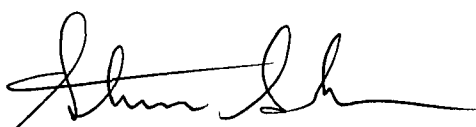
Dear Mike:

Ernie Busch just let me know that I should have submitted this NSL administrative request to you instead of Frank. Therefore, enclosed are my original request letter and acreage plat for your consideration.

I would like to drill this well as soon as possible and would appreciate any help you can give to expedite the approval.

If I can do anything to facilitate the process please let me know.

Sincerely,


Steven S. Dunn
Drilling & Production Manager

Enclosure: Request Letter & Acreage/ Location Plat

cc: File

MERRION

OIL & GAS

October 21, 1996

Mr. Frank Chavez

New Mexico Energy, Minerals & Natural Resources Department
Aztec District Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

Subject: Request for Non-Standard Location Approval, MEU No. 9

Dear Frank:


Merrion Oil & Gas hereby requests administrative approval for an exception to the well location requirements for the Media Entrada Field under Rule 104 F.I.. The well is staked at a location that will provide efficient production within a pressure maintenance project.

Our reservoir analysis suggests that most of the producible Entrada oil has been swept and/or drained from the existing wells in the Media Entrada Unit (Location Plat enclosed). We are now in the last stages of oil production in this field and Merrion believes the MEU #9 should be drilled at the proposed location to effectively produce the remaining oil reserves.

The well location is non-standard, but in the direction of unit acreage. As you know, ownership is common within the unit area, and therefore, correlative rights would be protected.

If further is required, please let me know.

Sincerely,



Steven S. Dunn
Drilling & Production Manager

Enclosure: Location Plat

cc: Well File

MERRION

OIL & GAS

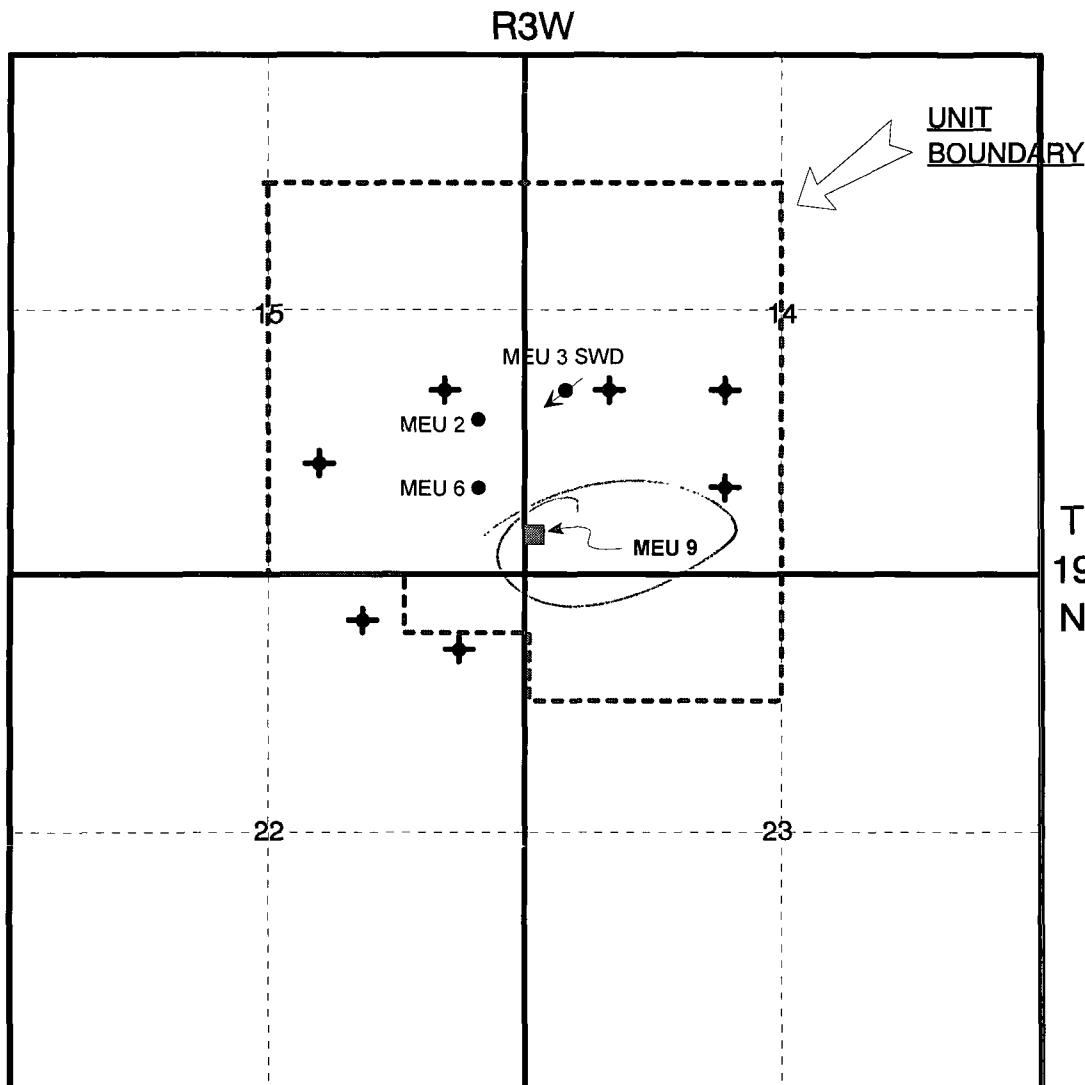
Merrion Oil & Gas Corporation

MEU No. 9

Location-Acreage Plat

Location:
390' fsl & 100' fwl (sw sw)
Section 14, T19N, R3W
Sandoval, New Mexico

PM -



Scale: 1" = 200'

Prepared by Steven Dunn
October 2, 1996

OGRID Idn : 14634 API Well No: 30 43 20936 APD Status(A/C/P): A
Opr Name, Addr: MERRION OIL & GAS CORP Aprvl/Cncl Date : 06-28-1996
610 REILLY AVE
FARMINGTON, NM 87401-2634

Prop Idn: 7817 MEU Well No: 9

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: M	14	19N	03W			FTG 390 F S	FTG 100 F W
OCD U/L	: M		API County	: 43				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 6834

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 5060 Prpsd Frmtn : MEDIA ENTRADA

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG6CLOG

ONGARD
C105-WELL COMPLETION OR RECOMP CASING LOG

11/06/96 07:31:23
OGOMES -EME5

OGRID Identifier : 14634 MERRION OIL & GAS CORP
Prop Identifier : 7817 MEU
API Well Identifier : 30 43 20078 Well No : 003
Surface Locn - UL : L Sec : 14 Twp : 19N Range : 03W Lot Idn :
Multiple comp (S/M/C) : S TVD Depth (Feet) : 99999 MVD Depth (Feet):
Spud Date : P/A Date :
Casing/Linear Record:

```
-----  
S Size      Grade Weight  Depth(ft)  Depth(ft)  Hole Size  Cement  ----  TOC  ----  
(inches)    (lb/ft)  Top-Liner  Bot-Liner  (inches)  (Sacks) (feet)  Code  
-----  
          99.000          99.0      99999.0    99999.0    99.000    9999    99999    C
```

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

11/06/96 07:31:33
OGOMES -EME5

API Well No : 30 43 20078 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 45600 MEDIA ENTRADA
OGRID Idn : 14634 MERRION OIL & GAS CORP
Prop Idn : 7817 MEU

Well No : 003
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)

B.H. Locn	: L	14	19N	03W	FTG 999 F S	FTG 999 F E	P

Lot Identifier:

Dedicated Acre:

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

Sec : 14 Twp : 19N Rng : 03W Section Type : NORMAL

L 40.00 Federal owned A	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned A A	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

OGRID Identifier : 14634 MERRION OIL & GAS CORP
 Prop Identifier : 14473 FEDERAL MEDIO
 API Well Identifier : 30 43 20031 Well No : 001
 Surface Locn - UL : M Sec : 14 Twp : 19N Range : 03W Lot Idn :
 Multiple comp (S/M/C) : S TVD Depth (Feet) : 5312 MVD Depth (Feet) : 1800
 Spud Date : 03-26-1969 P/A Date :

Casing/Linear Record:

S Size (inches)	Grade Weight (lb/ft)	Depth(ft) Top-Liner	Depth(ft) Bot-Liner	Hole Size (inches)	Cement (Sacks)	TOC (feet)	Code
99.000	99.0	99999.0	99999.0	99.000	9999	99999	C

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

11/06/96 07:29:29
OGOMES -EME5

API Well No : 30 43 20031 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 66708 UNDES MESAVERDE (SAND) 0M TO 5M
OGRID Idn : 14634 MERRION OIL & GAS CORP
Prop Idn : 14473 FEDERAL MEDIO

Well No : 001
GL Elevation: 6837

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: M	14	19N	03W	FTG 990 F S	FTG 660 F W	P

Lot Identifier:

Dedicated Acre:

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6CLOG

ONGARD
C105-WELL COMPLETION OR RECOMP CASING LOG

11/06/96 07:29:52
OGOMES -EME5

OGRID Identifier : 14634 MERRION OIL & GAS CORP
Prop Identifier : 7817 MEU
API Well Identifier : 30 43 20936 Well No : 9
Surface Locn - UL : M Sec : 14 Twp : 19N Range : 03W Lot Idn :
Multiple comp (S/M/C): N TVD Depth (Feet) : MVD Depth (Feet):
Spud Date : P/A Date :
Casing/Linear Record:

S Size Grade Weight Depth(ft) Depth(ft) Hole Size Cement ----- TOC -----
(inches) (lb/ft) Top-Liner Bot-Liner (inches) (Sacks) (feet) Code

E0004: No matching record found. Enter data to create.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: MERRION OIL & GAS CORP MEU#9 (NSL)
Date: Friday, November 22, 1996 10:54AM
Priority: High

MEU #9
390' FSL; 100' FWL
M-14-19N-03W
RECOMMEND: APPROVAL