



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

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Mark Fesmire

Division Director

Oil Conservation Division



August 20, 2010

Merrion Oil & Gas Corporation
Attn: Ms. Philana Thompson
610 Reilly Avenue
Farmington, NM 87401

Administrative Order NSL-6244

**Re: Glade Park Well No. 1
API No. 30-045-34747
2484 feet FNL & 1861 feet FWL
Unit E, Section 9-29N-13W
San Juan County, New Mexico**

Dear Ms. Thompson:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-22835057**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 16, 2010, and

(b) the Division's records pertinent to this request.

Merrion Oil & Gas Corporation [OGRID 14634] (Merrion) has requested to drill the above-referenced well at an unorthodox well location, as described above in the caption of this letter. The NW/4 of Section 9 will be dedicated to this well in order to form a standard 160-acre gas spacing unit in the West Kutz Pictured Cliffs Gas Pool (79680). This pool is governed by statewide Rule 15.10.B, which provides for 160-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the southern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



It is our understanding that you are seeking this location in order to comply with City of Farmington surface location requirements and to avoid interference with existing surface uses.

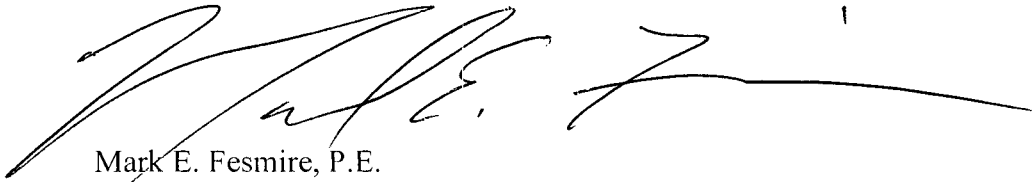
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', followed by a long horizontal line.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec