



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

August 5, 1985

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Merrion Oil & Gas Corporation
P.O. Box 1017
Farmington, New Mexico 87499

Attention: Steve S. Dunn

Re: OLM-6
Enchilada No. 1 Well
Section 16, T-23N, R6W
Rio Arriba County, New Mexico

Dear Mr. Dunn,

Reference is made to your letter dated June 14, 1985 whereby you requested that the casinghead gas produced from the above referenced well be metered off-lease at the tie-in point to the Gallo Gathering System located in the NW/4 of Section 15, Township 23 North, Range 6 West.

Inasmuch as this is the only well producing through this line and double measurement would constitute economic waste, you are hereby authorized to meter the gas production from the above referenced well at the point described above but subject to the following conditions:

1. All flow lines shall be maintained in a safe and adequate condition and any leaks or failures must be reported to the Division.
2. All separation and liquids storage facilities shall be located on the originating lease.
3. The meters shall be read and maintained by the gas purchaser.
4. Federal and State approval is required where applicable.

In addition, all production, storage, transportation, sales and other operations shall comply with Division Rules and Regulations. The gas transporter shall be notified of this approval.

Sincerely,

R. L. STAMETS
Director

RLS/DC/et

xc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington