

**MERRION**

OIL &amp; GAS

January 8, 2001

Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 S. Pacheco St.  
Santa Fe, New Mexico 87505

**RE: Application of Merrion Oil & Gas  
Non-Standard Location  
Knight Com 1 (30-045-30429)  
Fulcher Kutz Pictured Cliffs Pool  
SW/4 Section 36, T30N, R13W  
San Juan County, New Mexico**

Dear Mr. Stogner:

Merrion Oil & Gas Corp. (Merrion) requests administrative approval for a non-standard location for the subject well for topographic reasons.

Enclosed in support of this application are the following:

- Exhibit 1: C-102 Plat
- Exhibit 2: Topographic Map (1963)
- Exhibit 3: Landowners Development Plat
- Exhibit 4: Offset Operator Plat
- Exhibit 5: Address List of Offset Operators

The well will be completed as a well in the Fulcher Kutz Pictured Cliffs Pool. The well is non-standard because it is only 417 feet from the southern boundary of the spacing unit. The well is staked within the Farmington City limits in a residential area.

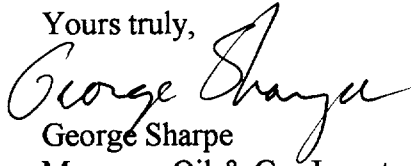
Finding an acceptable drilling location within the city limits is a near impossibility. Merrion has worked with the landowner to place the location so as to minimize the impact on his development plans. As Exhibit 3 shows, the well is in a neighborhood surrounded by future home sites. Moving the well to the north would encroach on home lots that are currently being developed. The developer actually altered his plans so as to put those lots on a culdesac instead of a through street, but moving the well north would negate that possibility as well.

The well is encroaching on the north half of Section 1, T29N, R13W to the south of the location. Exhibit 4 is a map showing the offset operators of those spacing units. Exhibit 5

is an address list of those operators. That offset operators received a certified copy of this application.

Please call me at 505-327-9801 ext 114 if additional information is needed.

Yours truly,

A handwritten signature in cursive script, appearing to read "George Sharpe".

George Sharpe  
Manager, Oil & Gas Investments

cc Frank Chavez, NMOCD – Aztec  
Well File

S:\invest\gfs\2001 corres\heights 1e nonstd app

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

☐ AMENDED REPORT

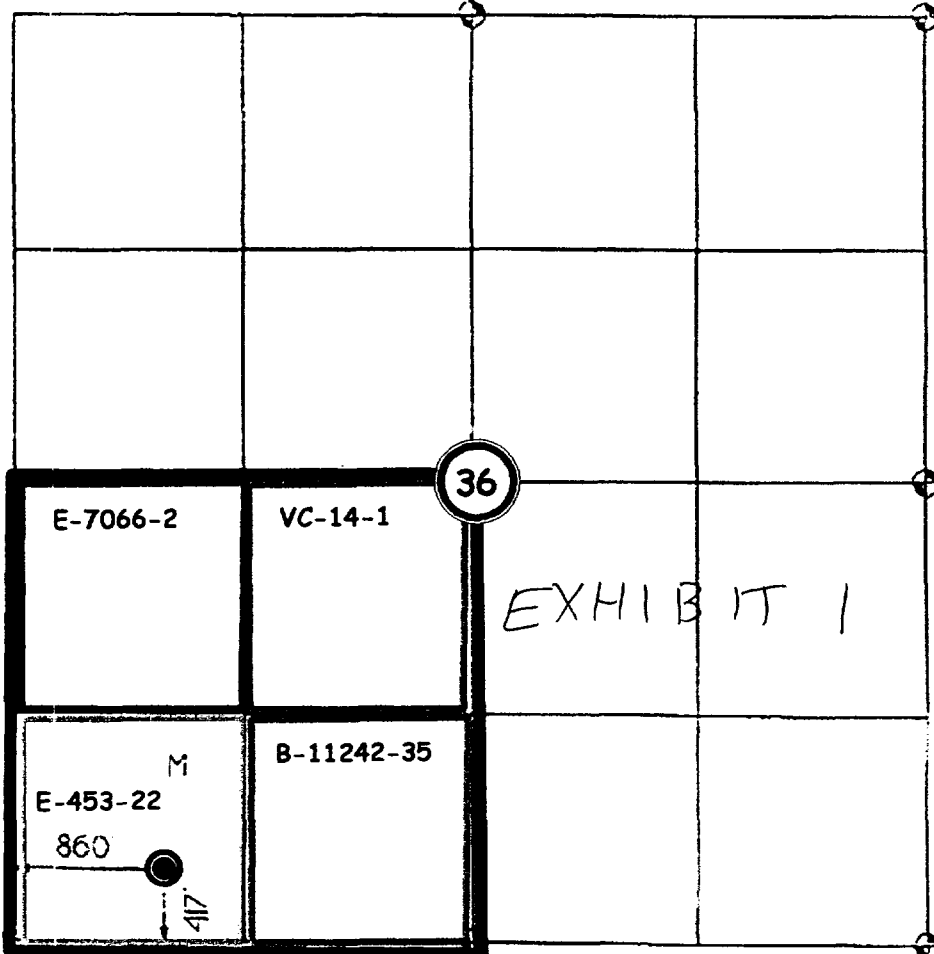
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number	Pool Code <b>77200</b>	Pool Name <b>Fulcher Kutz</b>
Property Code	Property Name <b>KNIGHT COM</b>	Well Number <b>1</b>
UGRD No. <b>014634</b>	Operator Name <b>MERRION OIL &amp; GAS</b>	Elevation <b>5545'</b>

Surface Location									
UL or Lot <b>M</b>	Sec. <b>36</b>	Twp. <b>30 N.</b>	Rge. <b>13 W.</b>	Lot or SW <b>SW SW</b>	Feet from <b>417</b>	North/South <b>SOUTH</b>	Feet from <b>860</b>	East/West <b>WEST</b>	County <b>SAN JUAN</b>

Section Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot or SW	Feet from	North/South	Feet from	East/West	County
Dedication <b>160</b>	Joint ? <b>Y</b>	Consolidation <b>C</b>	Order No. <b>Communitization in progress</b>						

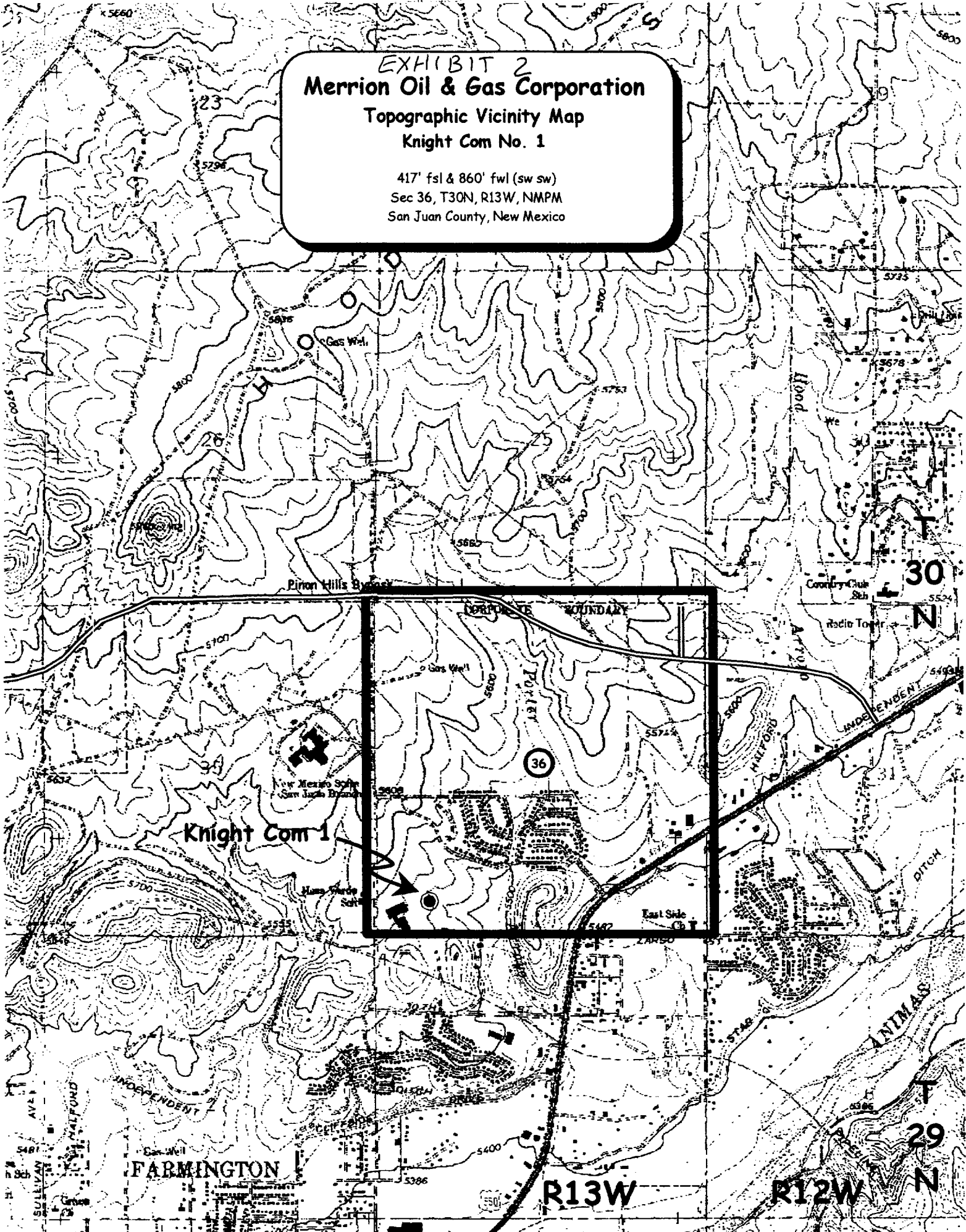
NO ALLOWABLE WELL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Steven S. Dunn</i> Printed Name: <b>Steven S. Dunn</b> Title: <b>Drilling &amp; Production Manager</b> Date: <b>November 15, 2000</b>	
<b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: <b>10 NOVEMBER 2000</b> Signature: <i>[Signature]</i> Professional Seal: <b>6844</b> <b>REGISTERED LAND SURVEYOR</b>	

EXHIBIT 2  
**Merrion Oil & Gas Corporation**  
Topographic Vicinity Map  
Knight Com No. 1

417' fsl & 860' fwl (sw sw)  
Sec 36, T30N, R13W, NMPM  
San Juan County, New Mexico



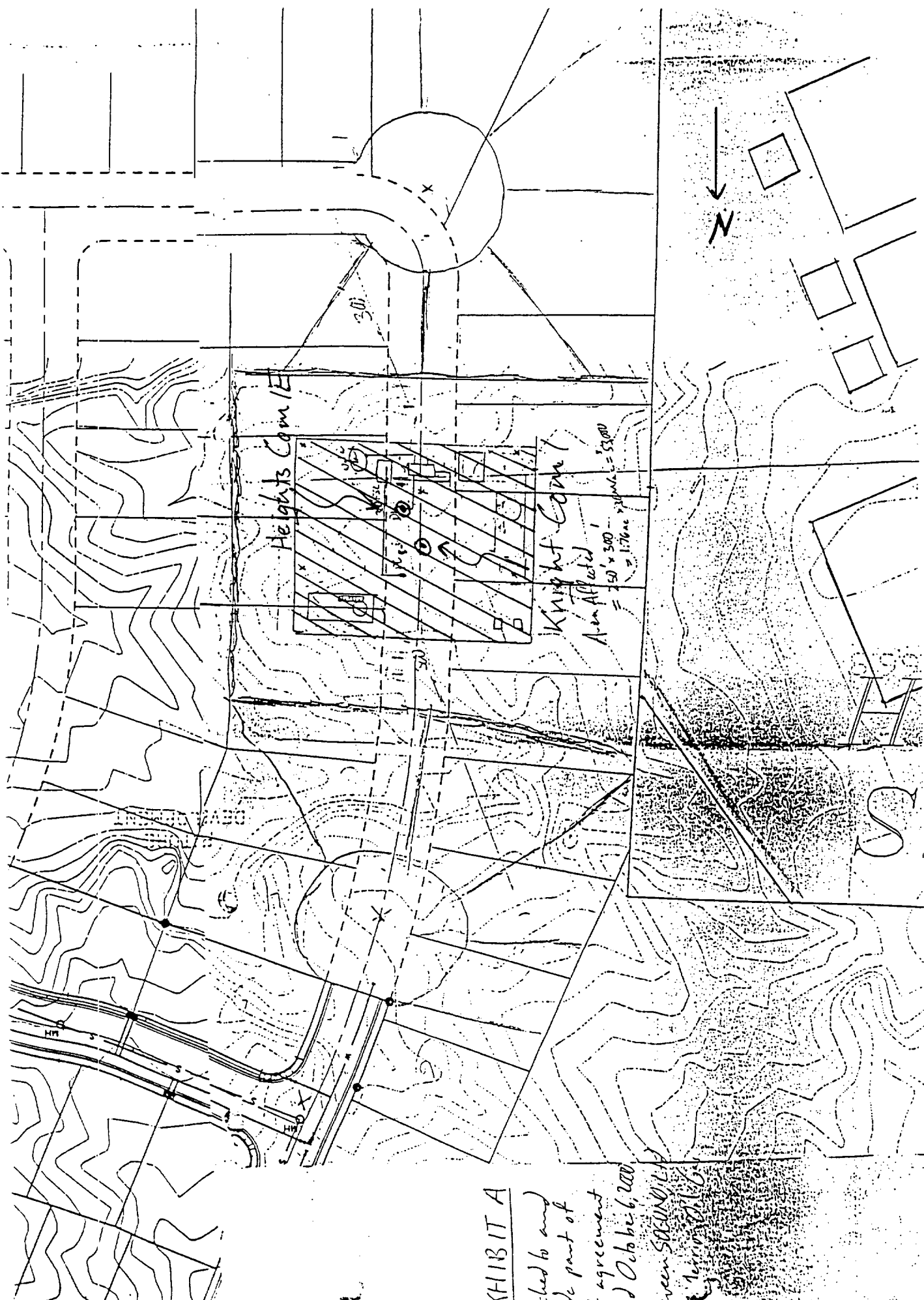


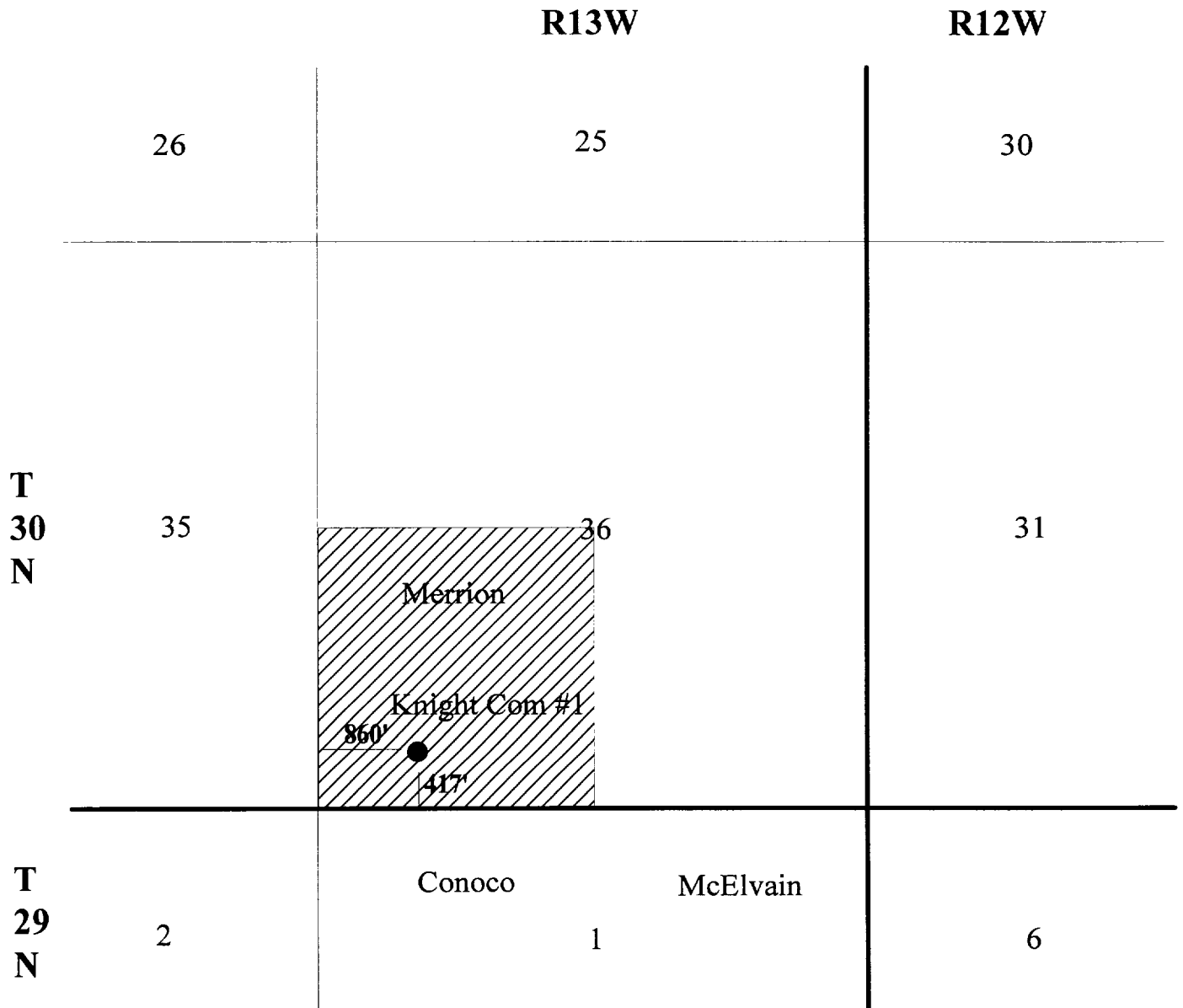
EXHIBIT A

ched to and  
be part of  
t agreement  
d October 6, 2000

ween SANDWICH  
Region of the

EXHIBIT 3 - Developers Plat

**EXHIBIT 4**  
**OFFSET OPERATOR PLAT**  
**KNIGHT COM #1**  
**NON-STANDARD LOCATION APPLICATION**



## **EXHIBIT 5**

### **Offset Operator Notification Knight Com 1 Non-Standard Location Application**

To: Offset Operator

If you have questions, please call George Sharpe at 505-327-9801 ext. 114. If you have any objections to this application, please notify the NMOCD in writing within 20 days of receipt of this application.

Mr. Bill Hudson  
Conoco Inc.  
3315 Bloomfield Hwy.  
Farmington, NM 87401

Mr. George B Broome  
McElvain Oil & Gas Properties Inc.  
PO Box 2148  
Santa Fe, NM 87504

### **WAIVER OF OBJECTION**

\_\_\_\_\_ does not object to the proposed non-standard location.

Company Name

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

If you have no objections, please sign and return this page to George Sharpe at Merriion Oil & Gas, 610 Reilly Ave., Farmington, NM 87401. Thanks.

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**From:** Stogner, Michael  
**Sent:** Wednesday, February 07, 2001 2:25 PM  
**To:** Hayden, Steven; Perrin, Charlie  
**Subject:** FW: 2 Merrion NSL requests

While ya'll are reviewing the two Merrion wells below, I should soon be getting down to two other Merrion applications that are in the same section: (1) ~~Knight Com. #1~~ and (2) Blackshawl Com. #1, both PC wells. Your thoughts on those. Thanks.

-----  
**From:** Stogner, Michael  
**Sent:** Wednesday, February 07, 2001 1:47 PM  
**To:** Hayden, Steven; Perrin, Charlie; Valdes, Kathy  
**Subject:** 2 Merrion NSL requests

Attached are two draft NSL orders for Merrion's Heights Well No. 1-E and Pinon Hills Com. Well No. 1-E, both in Sec. 36-T30N-R13W, Basin-Dakota Pool. Within the applications, both dated Jan. 8th, Merrion shows copies were provided Aztec. Since I haven't seen anything from Aztec can I assume both are OK to release? If there are problems call me ASAP and I'll stop them. Thanks.

<<File: DKNFL038.doc>><<File: DKNFL037.doc>>



CMD :  
OG5SECTONGARD  
INQUIRE LAND BY SECTION02/08/01 07:48:41  
OGOMES -TPOC  
PAGE NO: 1

Sec : 36 Twp : 30N Rng : 13W Section Type : NORMAL

D 40.00 CS E03149 0012 MERRION OIL & GAS C 12/10/59 A A	C 40.00 CS E07066 0003 MERRION OIL & GAS C 04/10/63	B 40.00 CS E07066 0003 MERRION OIL & GAS C 04/10/63	A 40.00 CS E03149 0012 MERRION OIL & GAS C 12/10/59 A A
E 40.00 CS OG2004 0001 CROSS TIMBERS OIL C 02/18/68	F 40.00 CS VC0014 0002 CROSS TIMBERS OIL C 08/01/99	G 40.00 CS E03149 0012 MERRION OIL & GAS C 12/10/59	H 40.00 CS OG2004 0001 CROSS TIMBERS OIL C 02/18/68

PF01 HELP  
PF07 BKWDPF02  
PF08 FWDPF03 EXIT  
PF09 PRINTPF04 GoTo  
PF10 SDIVPF05  
PF11PF06  
PF12

CMD :  
OG5SECTONGARD  
INQUIRE LAND BY SECTION02/08/01 07:48:47  
OGOMES -TPOC  
PAGE NO: 2

Sec : 36 Twp : 30N Rng : 13W Section Type : NORMAL

L 40.00 CS E07066 0003 MERRION OIL & GAS C 04/10/63	K 40.00 CS VC0014 0002 CROSS TIMBERS OIL C 08/01/99	J 40.00 CS E07066 0003 MERRION OIL & GAS C 04/10/63	I 40.00 CS B10735 0052 ENRON OIL & GAS C C 10/20/53 A A
M 40.00 CS E00453 0022 DUGAN PRODUCTION C 07/16/55 A A	N 40.00 CS B11242 0050 CROSS TIMBERS OIL C 05/26/54	O 40.00 CS B10735 0038 EVKO DEVELOPMENT C 10/20/53	P 40.00 CS E03149 0012 MERRION OIL & GAS C 12/10/59

PF01 HELP  
PF07 BKWDPF02  
PF08 FWDPF03 EXIT  
PF09 PRINTPF04 GoTo  
PF10 SDIVPF05  
PF11PF06  
PF12

CMD : ONGARD 02/08/01 07:49:15  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPOC

OGRID Idn : 14634 API Well No: 30 45 30429 APD Status(A/C/P): A  
Opr Name, Addr: MERRION OIL & GAS CORP Aprvl/Cncl Date : 11-17-2000  
610 REILLY AVE  
FARMINGTON,NM 87401-2634

Prop Idn: 26929 KNIGHT COM Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
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Surface Locn : M	36	30N	13W				FTG 417 F S	FTG 860 F W
OCD U/L : M		API	County	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F  
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 5545

State Lease No: Multiple Comp (S/M/C) : S  
Prpsd Depth : 1700 Prpsd Frmtn : FULCHER KUTZ PC

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

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**From:** Stogner, Michael  
**Sent:** Wednesday, February 07, 2001 3:43 PM  
**To:** Hayden, Steven  
**Subject:** RE: 2 Merrion NSL requests

I show to have only four. Thanks. Consider the Heights Com #1-E and Pinon Hills #1-E processed and approved. The other two (Knight Com. #1 and Blackshawl Com. #1) I'll try to get out this week. Thanks again Steve.

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**From:** Hayden, Steven  
**Sent:** Wednesday, February 07, 2001 2:56 PM  
**To:** Stogner, Michael  
**Subject:** RE: 2 Merrion NSL requests

There were a total of five wells that Merrion has applied to drill within the city limits of Farmington that are all constrained by the location of things like schools. The city has OKed four of them so far. As long as they can get the city's approval, I would not object to non-standard locations. They appear to have done things right on this. I talked to the city engineer about this a couple of weeks ago and he is satisfied.

Steve

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