



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 22, 1989

Merrion Oil and Gas Corporation
P.O. Box 840
Farmington, NM 87499

Attention: Steven S. Dunn,
Operations Manager

Administrative Order NSP-1574

Dear Mr. Dunn:

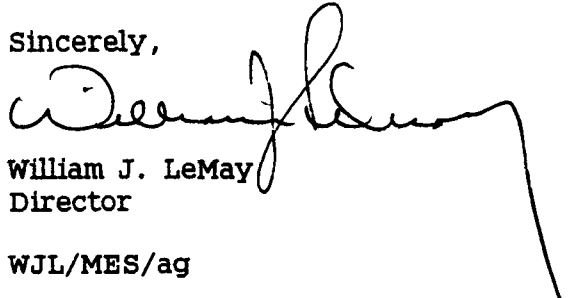
Reference is made to your application of April 20, 1989, for a 160-acre non-standard gas proration unit consisting of the following acreage in the Basin-Fruitland Coal Gas Pool:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 35: NE/4

It is my understanding that this unit is to be dedicated to your existing Da-On-Pah Well No. 1 which is presently completed in the South Gallegos Fruitland Pictured Cliffs Pool and is located at a standard coal gas well location 1900 feet from the North line and 1050 feet from the East line (Unit H) of said Section 35.

By authority granted me under the provisions of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, the above non-standard gas proration unit is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
NM Oil and Gas Engineering Committee - Hobbs
U.S. Bureau of Land Management - Farmington