

CAMPBELL, BYRD & BLACK, P.A.

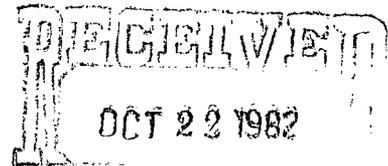
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October 21, 1982

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of Energy
& Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501



Case 7724

Re: Application for Merrion Oil and Gas Corporation and
Dugan Production Corporation for Compulsory Pooling,
Rio Arriba, New Mexico

Dear Mr. Ramey:

Enclosed is a copy of the application of Merrion Oil and Gas Corporation and Dugan Production Corporation in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on November 10, 1982.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

encl.
WFC/yp

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S. ...

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF MERRION OIL AND GAS CORPORATION
AND DUGAN PRODUCTION CORPORATION FOR
COMPULSORY POOLING, RIO ARRIBA,
NEW MEXICO

CASE 7729

APPLICATION

Comes now, Merrion Oil and Gas Corporation and Dugan Production Corporation, by and through their undersigned attorneys and, as provided by Section 70-2-17, New Mexico Statutes Annotated, 1978 Compilation, hereby make application for an order pooling all of the mineral interests in all formations from the surface down through and including the Gallup formation in and under the SE/4 of Section 15, Township 23 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof would show the Division:

1. Applicants own or represent 75% of the working interest in and under the SE/4 of Section 15, and application has the right to drill thereon.
2. Applicants propose to dedicate the above-referenced pooled unit to a well to be drilled at an orthodox location in the SE/4 of said Section 15.
3. Applicants have sought and been unable to obtain either voluntary agreement for pooling or farmout from M. J. Harvey, Post Office Box 12705, Dallas, Texas 75225, owner of a 25% working interest in the SE/4 of said Section 15.

4. Said pooling of interest and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

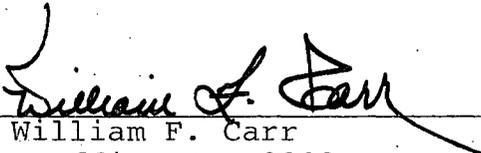
5. In order to permit the applicants to obtain their just and fair share of the oil and gas underlying the subject lands, the mineral interest should be pooled, and applicants should be designated the operator of the well to be drilled.

WHEREFORE, applicants pray that this application be set for hearing before the Division's duly appointed examiner and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Dugan Production Corporation as operator of the well, providing for applicant to recover its costs of drilling, equipping and completing the well, and its costs of supervision while drilling, and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the applicants in drilling, completing and equipping the well, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr

Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicants