

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11766

APPLICATION OF MERRION OIL &
GAS CORPORATION FOR COMPULSORY
POOLING AND AN UNORTHODOX COAL
GAS WELL LOCATION, SAN JUAN
COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by Merrion Oil & Gas Corporation as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Merrion Oil & Gas Corporation

Tommy Roberts

610 Reilly Avenue

P.O. Box 129

Farmington, New Mexico 87401

Farmington, New Mexico 87499

Attn: George Sharpe

505/325-6810

505/327-9801

OPPOSITION OR OTHER PARTY

ATTORNEY

Not Known

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with the application and the reasons therefore.)

Applicant seeks an order pooling all minerals interests in the Basin-Fruitland Coal Gas Pool underlying the S/2 of Section 22, Township 32 North, Range 13 West, forming a standard 320 acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox "off-pattern" coal gas well location 790 feet from the South and East lines (Unit P) of said Section 22. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Applicant as operator of the well and a charge for risk involved in drilling and completing said well.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

NOT APPLICABLE TO APPLICANT'S STATEMENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

George F. Sharpe
- Petroleum Engineer

EST. TIME

30 minutes

EXHIBITS

- Area Map
- Well Location Plat
- Lease Ownership Plat
- Correspondence
- Authority for Expenditure
- Operating Agreement
- Survey of Drilling/
Producing Rates
- Production Map
- Structure Map
- Topographic Map
- Evidence of Notice

OPPOSITION

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

NOT APPLICABLE

PROCEDURAL MATTERS
(Please identify any procedural matters which
need to be resolved prior to the hearing)

NONE

Tommy Roberts

TOMMY ROBERTS, Attorney for
Merrion Oil & Gas Corporation

DATED: April 23, 1997