

MERRION

OIL & GAS

April 2, 1998

Mr. Errol Becher

Bureau of Land Management

1235 La Plata Highway

Farmington, NM 87401

RECEIVED
BLM

98 APR -3 PM 12:30

070 FARMINGTON, NM

Subject: Chaco Wash No. 2 ... Request for APD Extension

Dear Mr. Becher:

The APD for the Chaco Wash No. 2 located 2300' fnl & 1670' fel (sw ne), Section 13, T20N, R6W, NMPM, McKinley County, New Mexico, was approved May 7, 1997 and the one year approval deadline is approaching. Merrion is hereby requesting a one year extension of our approval for the following reasons.

1. Our original partner in this well has elected not to participate causing Merrion to postpone drilling until a suitable replacement can be found. Merrion fully intends to drill this prospect, and we are actively seeking another party to step in and participate. But, unfortunately, this is a time consuming process and may take many months to complete.
2. This prospect is located on a Navajo Allotted Lease and, as such, the approval process is extremely tortuous, time-consuming, and costly. Therefore, we do not wish to begin the process again.

If you wish to discuss the situation, please give myself or George Sharpe a call at 327-9801.

Sincerely,


Steven S. Dunn
Drilling & Production Manager

cc: George Sharpe
Well File

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OIL & GAS

BY SOIL DIV.
APR 8

THIS APPROVAL EXPIRES **MAY 07 1999**

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APPROVED 

APR 07 1998

DISTRICT MANAGER

MINERAL RESOURCES	
ADM	<u>mech</u>
NATV AN UN COORD	_____
SOLID MIN TEAM	_____
PETRO TEAM	<u>2</u>
ORIGIN FILE	_____
ALL TEAM LEADERS	_____
LAND RESOURCES	_____
ENVIRONMENT	_____
FILES	_____

11/11/98