

FAX 505-326-5900

Patrick Hegarty, C. P. L.
Independent
610 Reilly Avenue • Post Office Box 64
Farmington, New Mexico 87499

Phone 505-327-9804

April 30, 1993

93 APR 30 AM 11:24

Hand Delivered

070 FARMINGTON, NM

Ken Townsend
Branch of Fluid Materials
Bureau of Land Management
1235 La Plata Highway
Farmington, New Mexico 87401

Re: NM--0558223
Coal Gas Development Effort
Gibbons #1, SW/4 Section 20, T32N, R5W
San Juan County, New Mexico

Gentlemen:

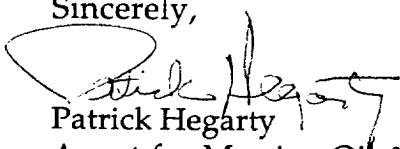
This letter will back up our conversations concerning the captioned well. Enclosed please find a copy of a number of pages from the NM Oil Conservation Commission's Monthly Statistical Report Volume IV dated January, 1993. Listed are twenty four (24) Fruitland Coal Gas wells that have been drilled within roughly a three to six mile radius of the captioned well. Further, please find a copy of a PI report setting out the fact that three additional wells have been stacked in Township 32 North, Range 5 West. NMPM. There can be little doubt that the Gibbons #1 well is capable of production in paying quantities from the Fruitland Coal horizon..

Merrion Oil & Gas Corporation advised me the BLM requested, by May 1st verification of said well's commercial capabilities. Be advised that Merrion has given me the right to develop this lease. Merrion will make plans to plug said well within sixty days if I am unsuccessful in my efforts to render said lease productive.

I am currently in contact with four corporations concerning the Gibbons well. Additional corporations have approached me looking for coal gas properties. I may contact these additional entities if the current group show little interest.

Please advise if a Sundry Notice reiterating the facts and requesting a sixty day extension is needed. Your approval and return of a copy of this letter will be appreciated..

Sincerely,


Patrick Hegarty
Agent for Merrion Oil & Gas Corporation
as it relates to the Gibbons #1 well.

PH:mac

xc: TGM

RECEIVED
MAY 05 1993

THIS APPROVAL EXPIRES JUL 01 1993 **APPROVED** smm

NMOCD


APR 30 1993
DISTRICT MANAGER

RECEIVED
MAR 6 1963
OIL CON. DIV.
DIST. 3

RECEIVED
MAR 6 1963
OIL CON. DIV.
DIST. 3

Oil of ...
1 lb. 3

C CCCCCCCCCCCCC C CCCC CC CCCCCC C

1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1</
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	-----

ROLEUM INFORMATION ROCKY MOUNTAIN REGION REPORT **SECTION V - 03/31/93**

PAGE 23

NORTHERN NEW MEXICO DRILLING PROGRESS **RIO ARriba COUNTY CONTINUED**

SAU RESOURCES
CARRACAS UNIT-PC 28 B
30-039-25147

28-32N-4W
NE SW NE
1680 FNL 1370 FEL

UNNAMED; 4446 PICTURED CLIFFS. (FR 03/16/93FM) OPER ADD: BOX 809.
FARMINGTON, NM. 87499 PHONE (505) 326-7793. EL: 7325 GR; LOCATION
DATA: W/IN PICTURED CLIFFS TREND(UNNAMED FLD) 18 MI N-NE
GOBERNADOR, NM; AMMANN BASE MAP NM-9.

SAU RESOURCES
CARRACAS UNIT 29 B
30-039-25147

29-32N-4W
NW SE NE
1795 FNL 790 FEL
IC 300397007991

BASIN; 4025 FRUITLAND COAL. (FR 08/26/91FM) OPER ADD: BOX 809.
FARMINGTON, NM. 87499 PHONE (505) 326-7793. EL: 7321 GR; LOCATION
DATA: 18 MI N-NE GOBERNADOR, NM; REPERMITTED ABND LOC; AMMANN
BASE MAP NM-5. PERMIT REISSUED: 11/09/92

SAU RESOURCES
CARRACAS UNIT 31 B
30-039-25148

31-32N-4W
SW NE NE
1190 FNL 790 FEL
IC 300397007891

BASIN; 3990 FRUITLAND COAL. (FR 08/26/91FM) OPER ADD: BOX 809.
FARMINGTON, NM. 87499 PHONE (505) 326-7793. EL: 7195 GR; LOCATION
DATA: 17 MI N-NE GOBERNADOR, NM; REPERMITTED ABND LOC. AMMANN
BASE MAP NM-6. PERMIT REISSUED: 11/09/92

SSAU RESOURCES
CARRACAS UNIT-PC 35B
30-039-70005-93

35-32N-4W
NW SE NE
1340 FNL 1085 FEL

UNNAMED; 4220 PICTURED CLIFFS. (FR 02/08/93FM) OPER ADD: BOX 809.
FARMINGTON, NM. 87499 PHONE (505) 326-7793. EL: 7010 GR; LOCATION
DATA: W/IN PICTURED CLIFFS TREND. 3/4 MI SE OF PC-UNNAMED 17 3/4 MI
N-NE GOBERNADOR, NM. AMMANN BASE MAP NM-9.

ASSAU RESOURCES
CARRACAS UNIT 36 B
30-039-25149

36-32N-4W
SW NE SW
1780 FSL 1590 FWL
IC 300397007791

WILDCAT; 4250 PICTURED CLIFFS. (FR 08/26/91FM) OPER ADD: BOX 809.
FARMINGTON, NM. 87499 PHONE (505) 326-7793. EL: 7065 GR; LOCATION
DATA: 5 MI SE UNNAMED DISCOVERY 20-32N-4W(PICTURED CLIFFS) 11 1/4
MI W DULCE, NM; REPERMITTED ABND LOC; AMMANN BASE MAP NM-6.
PERMIT REISSUED: 11/09/92 WELL ID CHANGES: INIT CLASS CHGD
FROM D. PROJ DEPTH CHGD FROM 3770. PROJ FM CHGD FROM FRUITLAND
COAL.

NASSAU RESOURCES
CARRACAS UNIT 25 A
API 30-039-25150

25-32N-5W
SW SE SE
640 FSL 710 FEL
IC 300397007691

BASIN; 3825 FRUITLAND COAL. (FR 08/26/91FM) OPER ADD: BOX 809.
FARMINGTON, NM. 87499 PHONE (505) 326-7793. EL: 6978 GR; LOCATION
DATA: 16 1/2 MI N GOBERNADOR, NM; REPERMITTED ABND LOC. AMMANN
BASE MAP NM-5. PERMIT REISSUED: 11/09/92

NASSAU RESOURCES
CARRACAS UNIT 36 A
API 30-039-25151

36-32N-5W
NW NE NE
430 FNL 800 FEL
IC 300397007591

BASIN; 3730 FRUITLAND COAL. (FR 08/26/91FM) OPER ADD: BOX 809.
FARMINGTON, NM. 87499 PHONE (505) 326-7793. EL: 6980 GR; LOCATION
DATA: 16 MI N GOBERNADOR, NM; REPERMITTED ABND LOC; AMMANN
BASE MAP NM-5. PERMIT REISSUED: 11/09/92

NASSAU RESOURCES
CARRACAS UNIT 36 A
API 30-039-25152

36-32N-5W
NE SW NW
1450 FNL 910 FWL
IC 300397007491

BASIN; 3675 FRUITLAND COAL. (FR 08/26/91FM) OPER ADD: BOX 809.
FARMINGTON, NM. 87499 PHONE (505) 326-7793. EL: 6902 GR; LOCATION
DATA: 16 1/2 MI N GOBERNADOR, NM; REPERMITTED ABND LOC; AMMANN
BASE MAP NM-5. PERMIT REISSUED: 11/09/92

ROOSEVELT COUNTY

BTA OIL PRODUCERS
1 9012-JV-P WILLOW
API 30-041-20867

33-8S-33E
SE SE
660 FSL 660 FEL
IC 300417000193

MILNESAND; 9200 ABO. (FR 01/04/93MD) OPER ADD: 104 S PECOS.
MIDLAND, TX. 79701 PHONE (915) 682-3753; EL: 4181 GR; LOCATION
DATA: 14 MI SW MILNESAND, NM.

CONTR: HONDO DRLG. RIG #5. SPUD: 01/23/93. CSG: 13 3/8 @ 423. 8 5/8 @ 4100. 5 1/2 @ 9100. DRLG COMMENTS: NO CORES OR DSTS RPTD
(TD REACHED 02/21/93). RIG REL: 02/23/93. PROD TEST(S): PERF (ABO). 8915-8947, ACID (8915-8947) W/ 3700 GALS. . . . 9100 TD. PB 8972. TSTG
(LDIR 03/11/93)

LAYTON ENTERPRISES
2 FOX "C" STATE
API 30-041-00248-0001

36-8S-36E
NW NE
660 FNL 1980 FEL
IC 300417000392

ALLISON; 9740 PENNSYLVANIAN. (FR 07/01/92MD) OPER ADD: 3103 79TH
ST. LUBBOCK, TX. 79423 PHONE (806) 745-4638; EL: 4065 GR. LOCATION
DATA: 4 MI SW BLUETT, TX. OLD RECORDS SHOW ELEV 4074 GR. OWWO
OLD INFO: FORMERLY SUNRAY D X OIL 2 NEW MEXICO-STATE "AA". ELEV
4074 GR. SPUD 8/11/61. 13 3/8 @ 376 W/300 SX. 8 5/8 @ 4159 W/5300 SX. 4
1/2 @ 9746 W/200 SX. LOG TOPS: BOUGH A 9582. BOUGH B 9613. BOUGH C
9649. OTD 9750. COMP 9/21/61. IPF 362 BOPD. PROD ZONE: BOUGH
9651-9673;

LOC;