



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 10, 1997

File

RECEIVED
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Merrion Oil & Gas Corporation
Attn: George F. Sharpe
610 Reilly Avenue
Farmington, New Mexico 87401

OIL CON. DIV.
DIST. 3

Re: *Administrative application to drill the Powell Well No. 1 at an unorthodox coal gas well location in the N/2 of Section 22, Township 32 North, Range 13 West, NMPM, Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico.*

Dear Mr. Sharpe:

Reference is made to your application dated June 9, 1997 for the Powell Well No. 1 to be drilled 2050 feet from the North line and 790 feet from the East line (Unit H) of said Section 22. This well was the subject of a forced pooling order issued by the Division on May 30, 1997 (see Order No. R-10807 issued in Case 11767). What was the outcome of Merrion's attempt to re-enter the plugged and abandoned Southern Union Gas Company Jones Well No. 1 (API No. 30-045-11367), located at a standard coal gas well location 1840 feet from the North line and 880 feet from the East line (Unit H) of said Section 22? Please provide details.

Should there be any questions or comments concerning this matter, please contact me in Santa Fe at (505) 827-8185. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Examiner/Engineer

cc: Oil Conservation Division - Aztec
William J. LeMay, Director - NMOCD, Santa Fe