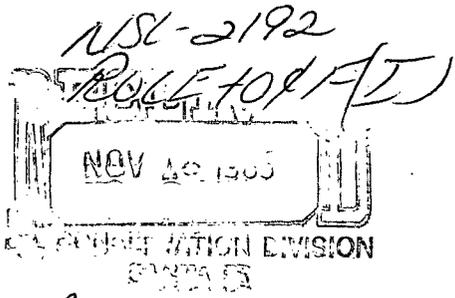


*Release Immediate
Utah in
(Verbal)*

MERRION OIL & GAS CORPORATION

P. O. Box 840
FARMINGTON, NEW MEXICO 87499



November 14, 1985

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Administrative Approval of an
Unorthodox Location for Topographic Reasons

Dear Sirs:

Merrion Oil & Gas Corporation hereby requests administrative approval for the drilling of a development Entrada well on an unorthodox location for topographic reasons. The proposed location is 2310 feet from north line and 1250 feet from east line, Section 36, Township 20 North, Range 5 West, McKinley County, New Mexico.

As can be seen from the enclosed topographic map, an unorthodox location would allow us to avoid a large, rocky knoll that would create excessive expense in trying to level for a location.

The offsetting lease owners have been contacted by certified mail and the receipts should be forthcoming.

Your help and attention in this matter is greatly appreciated.

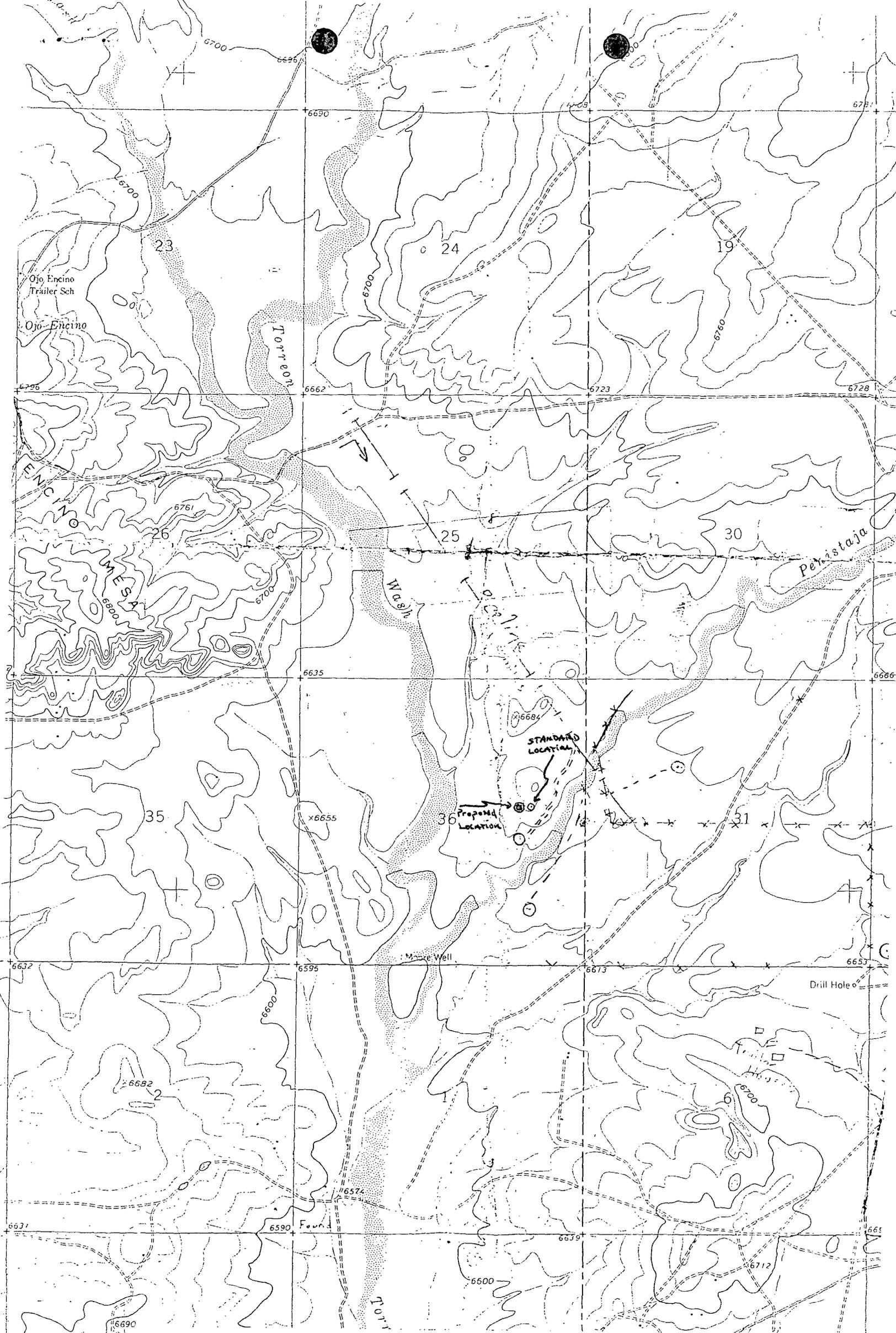
Sincerely,

Doug Endsley
Doug Endsley
Geologist

DE:sgb

Enclosure

*OK E.B.
11-22-85*



Vicinity Map for
 MERRION OIL & GAS CORPORATION #2 ARENA BLANCA
 2310'FNL 1250'FEL Sec. 36-T20N-R5W
 MCKINLEY COUNTY, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

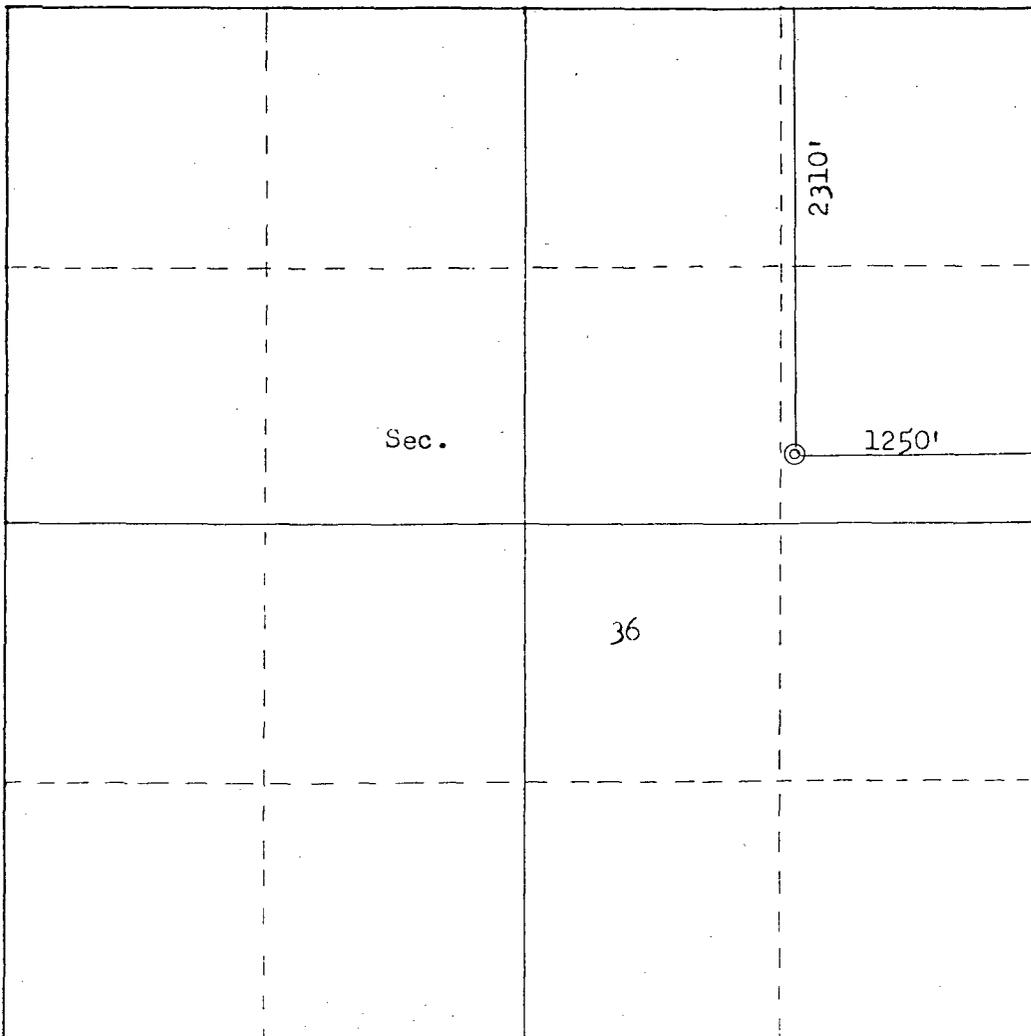
Operator MERRION OIL & GAS CORPORATION			Lease ARENA BLANCA			Well No. 2		
Unit Letter H	Section 36	Township 20N	Range 5W	County McKinley				
Actual Footage Location of Well: 2310 feet from the North line and 1250 feet from the East line								
Ground Level Elev: 6652	Producing Formation			Pool		Dedicated Acreage: Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

August 8, 1985

Registered Professional Engineer and Land Surveyor

Fred B. Kerr Jr.
Fred B. Kerr Jr.

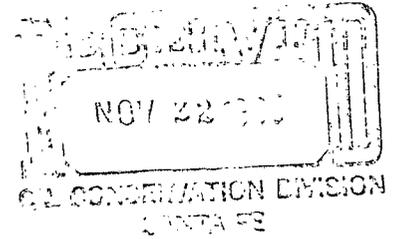
Certificate No. _____

3250

Scale: 1"=1000'

MERRION OIL & GAS CORPORATION

P. O. Box 840
FARMINGTON, NEW MEXICO 87499



FEDERAL EXPRESS

November 20, 1985

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Re: Arena Blanca #2
2310' FWL; 1250' FEL
McKinley County, New Mexico

Attn: David Catanach

Dear David:

Enclosed is a corrected copy of the plat showing offset lease ownership in the Arena Blanca area. Santa Fe Energy should be contacting you very soon.

Thank you for your consideration and time in this matter.

Yours truly,

Doug Endsley
Geologist

DE:sgb

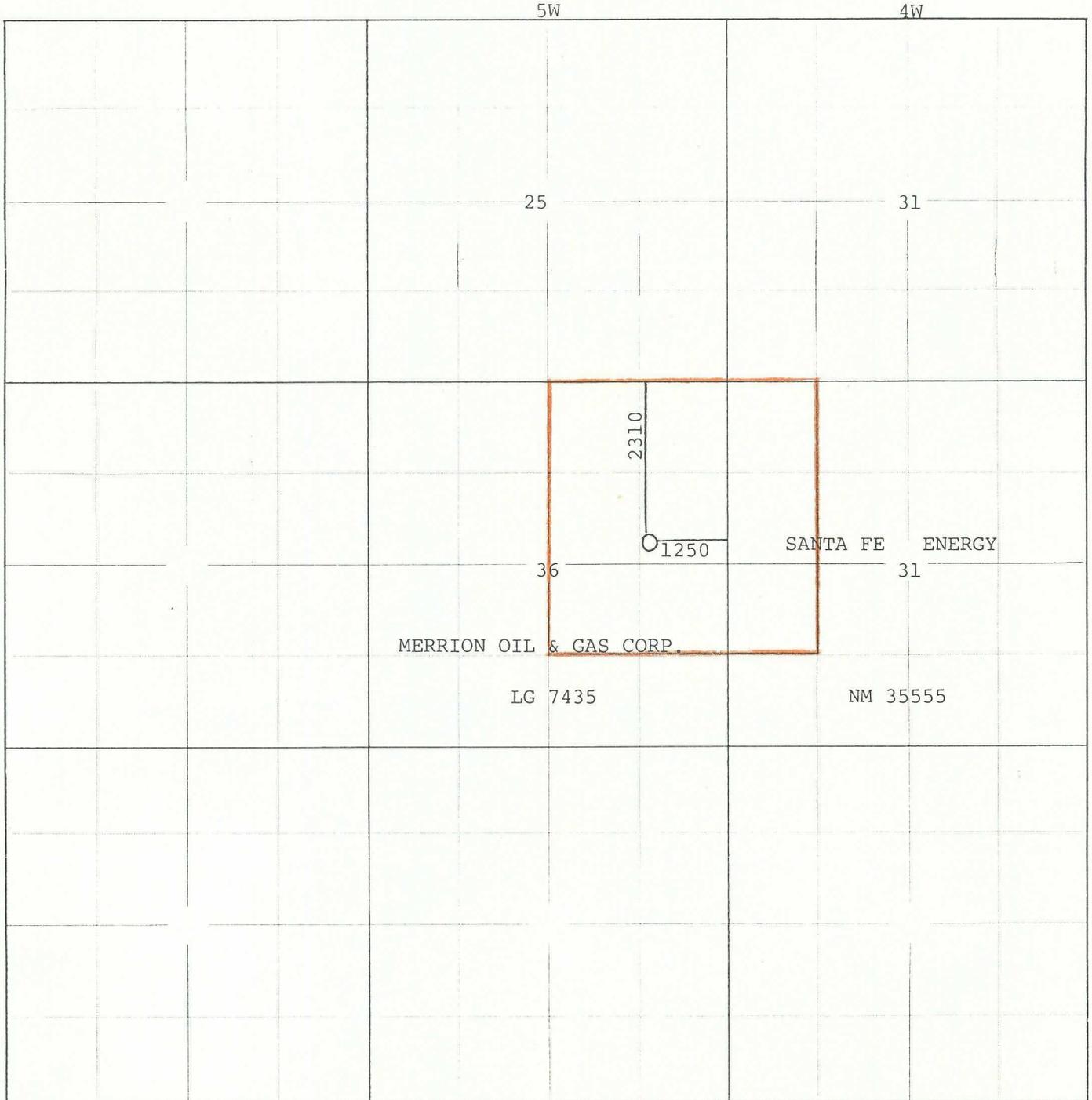
Enclosure

*Rec'd verbal from
Santa Fe Energy 11-22-85*

MERRION OIL & GAS CORPORATION

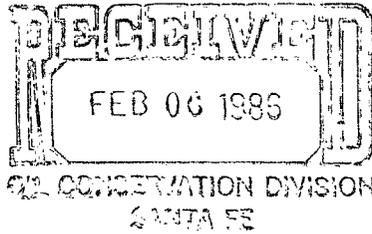
ARENA BLANCA No. 2

TOWNSHIP 20N RANGE 5W COUNTY McKinley STATE New Mexico





A Subsidiary of
Union Pacific Corporation



2192

January 31, 1986

State of New Mexico
Oil Conservation Commission
P O Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Mike Stogner

RE: Arena Blanca No. 2
2310' FNL and 1250' FEL
Section 36, T20N, R5W
McKinley County, New Mexico

Gentlemen:

Please be advised that Champlin Petroleum Company has no objection to the captioned Entrada formation well location which has been staked by Merrion Oil & Gas Corporation.

If you have any questions concerning this matter, please contact the undersigned.

Very truly yours,

Larry D. Lillo
Landman

LDL:kmj

cc: Doug Endsley
Merrion Oil & Gas Corporation



ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

NSC 219.2

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 11-18-85

- RE: Proposed MC _____
- Proposed DHC _____
- Proposed NSL X _____
- Proposed SWD _____
- Proposed WFX _____
- Proposed PMX _____

Gentlemen:

I have examined the application dated 11-15-85

for the Maverick Oil & Gas Corp Arena Blanca #2 H-36-20N-SW
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approved

RECEIVED
NOV 22 1985
OIL CONSERVATION DIVISION
SANTA FE

Yours truly,

Tom Bensch