

OIL CONSERVATION DIVISION
 MERRION OIL & GAS CORPORATION
 RECEIVED

610 REILLY AVE. • P. O. Box 840
 FARMINGTON, NEW MEXICO 87402

90 SEP 19 AM 8 39

CERTIFIED MAIL

September 17, 1990

Copy sent to E. Burch

11/16/90

Mr. William LeMay
 New Mexico Oil Conservation Division
 P. O. Box 2088
 Santa Fe, New Mexico 87503

RE: Chaco No. 2
 908' FSL & 1807' FWL
 Section 7, T26N, R12W
 San Juan County, New Mexico

Dear Mr. LeMay:

This is a request for administrative approval for a non-standard gas well location in the Basin Fruitland Pool.

Merrion Oil & Gas has plugged back and recompleted the Chaco No. 2 well from the Pictured Cliffs pool to the Basin Fruitland Coal Pool. The current location of this well is 908' FSL & 1807' FWL, Section 7, T26N, R12W, San Juan County, New Mexico. The well is considered non-standard due to the non-standard width of Section 7 (i.e. the well is too close to the center line). To comply with the New Mexico Oil Conservation Division rules, Merrion is submitting the following for your approval of this non-standard location:

1. C-102 plat showing location of the well;
2. Plat showing offset owners/operators;
3. Affidavit of notification of offset owners/operators;
4. Copy of Well Re-completion Log for original completion.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Sincerely yours,

George F. Sharpe
 George F. Sharpe
 Reservoir Engineer

GFS/eg

Enclosures

CC: Well File

CHACO NO. 2

908' FSL & 1807' FWL
Section 7, T26N, R12W
San Juan County, New Mexico

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for administrative approval for non-standard gas well location for the plugback and recompletion of the above well.

Dugan Petroleum Corporation
P. O. Box 420
Farmington, New Mexico 87499

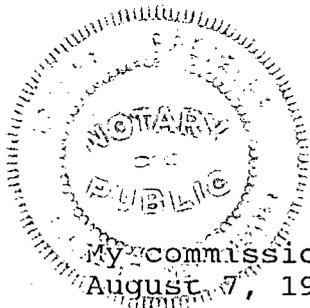
Southern Union Exploration
Box NBU 3001
Farmington, New Mexico 87499

B.I.A.
Minerals Department
Attn: Ervin Peshlakai
P. O. Box M
Window Rock, Arizona 86515

San Juan County
State of New Mexico



Esther J. Greyeyes
September 17, 1990



My commission expires:
August 7, 1994

New Mexico Oil Conservation Division
Page Two
September 17, 1990

WAIVER

_____ hereby waives objection to
Merrion Oil & Gas Corporation's application for a non-standard
location for their Chaco No. 2 as proposed above.

By: _____ Date: _____

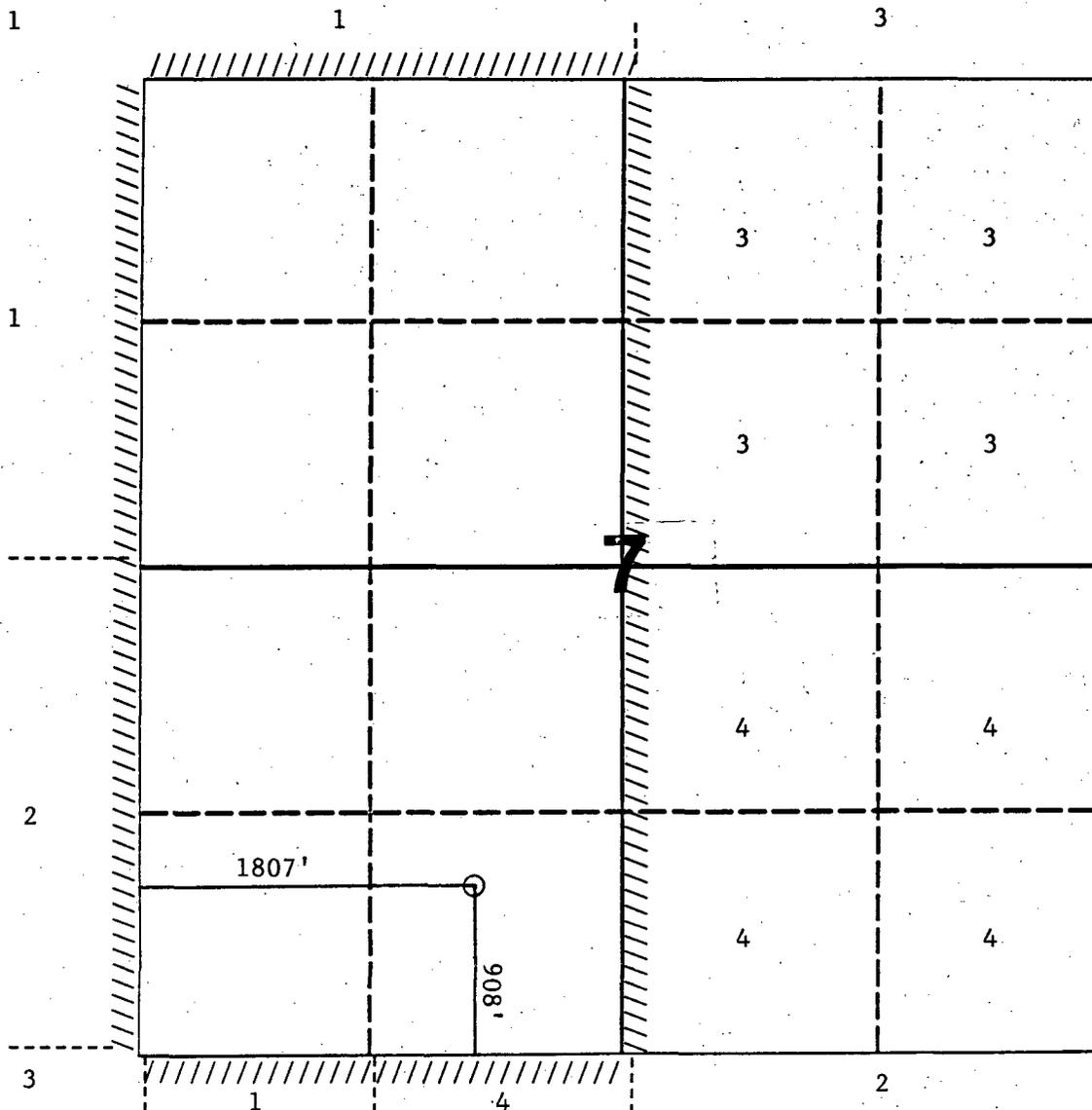
CC: Dugan Petroleum Corp-Fmgtn,NM
B.I.A.-Window Rock, AZ
Southern Union Exploration-Fmtgn,NM
Well File

MERRION OIL & GAS CORPORATION

CHACO NO. 2

908' FSL & 1807' FWL
Section 7, T26N, R12W
San Juan County, New Mexico

APPLICATION FOR NON-STANDARD PRORATION UNIT



- REMARKS:
- 1) Merrion Oil & Gas Corporation, P. O. Box 840, Farmington, NM 87499
 - 2) Dugan Production, P. O. Box 420 Farmington, NM 87499
 - 3) B.I.A.-Minerals Dept, Attn: Ervin Peshlakai, Box M, Window Rock, AZ 86515
 - 4) Southern Union Exploration, Box NBU 3001, Farmington, New Mexico 87499

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

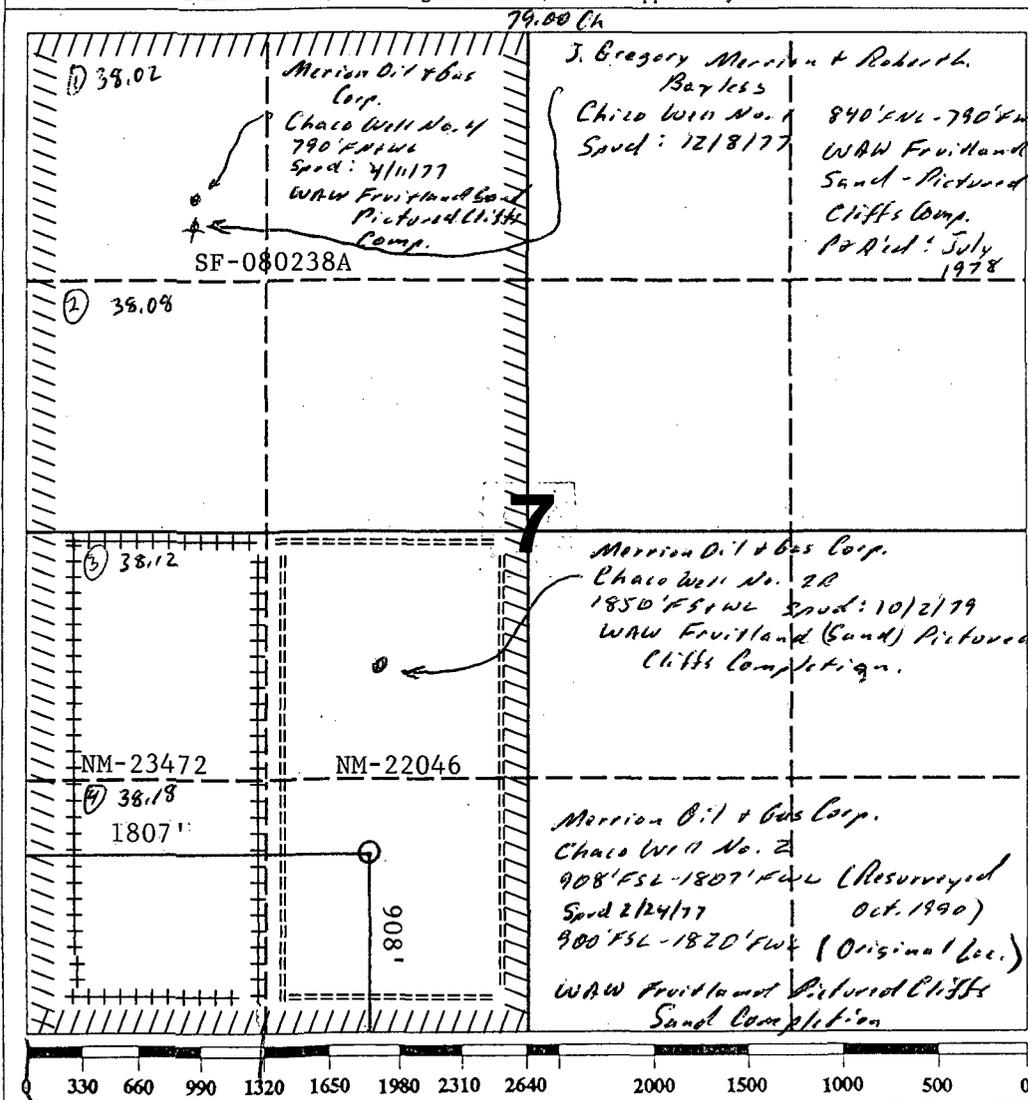
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Merrion Oil & Gas Corporation			Lease Chaco		Well No. 2
Unit Letter N	Section 7	Township 26N	Range 12W	County NMPM San Juan	
Actual Footage Location of Well: 908 feet from the South line and 1807 feet from the West line					
Ground level Elev. 5958'	Producing Formation Fruitland		Pool Basin		Dedicated Acreage: 320 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 interest 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 interest, has been approved by the Division.

312.4



OPERATOR CERTIFICATION

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

Signature: *George F. Sharpe*

Printed Name: **George F. Sharpe**

Position: **Reservoir Engineer**

Company: **Merrion Oil & Gas Corp.**

Date: **September 17, 1990**

SURVEYOR CERTIFICATION

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: _____

Signature & Seal of Professional Surveyor: *8640 1807 833*

Certificate No. _____

**UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPPLICATE*
 (Other instructions on re-
 verse side)

Form approved.
 Budget Bureau No. 1004-0135
 Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
 Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-22046	
2. NAME OF OPERATOR Merrion Oil & Gas Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P. O. Box 840, Farmington, New Mexico 87499		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 908' FSL & 1807' FWL		8. FARM OR LEASE NAME Chaco	
14. PERMIT NO.		9. WELL NO. 2	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5958' GL		10. FIELD AND POOL, OR WILDCAT Basin Fruitland	
16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 7, T26N, R12W	
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*		12. COUNTY OR PARISH San Juan	
		13. STATE New Mexico	

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Footage Change</u> <input checked="" type="checkbox"/>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

Footage on this well has changed to 908' FSL & 1807' FWL FROM 900' FSL & 1820' FWL, the rest of the information stays the same.

18. I hereby certify that the foregoing is true and correct

SIGNED George F. Sharpe TITLE Reservoir Engineer DATE 9/17/90

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

CC: O+5 (BLM)
 1 (Well File)
 1 NMOC D w/NSL letter *See Instructions on Reverse Side

P 565 381 753

P 565 381 759

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	
Southern Union Exploration	
Street and No. Box NBU 3001	
P.O. State and ZIP Code Farmington, New Mexico 87499	
Postage	\$.45
Certified Fee	1.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.20
Postmark or Date 9/17/90	
NSL - Chaco #2	

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	
B.I.A. Minerals Department	
Street and No. P. O. Box M	
P.O. State and ZIP Code Window Rock, AZ 86515	
Postage	\$.45
Certified Fee	1.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.20
Postmark or Date 9/17/90	
NSL (Chaco #2)	

P 565 381 752

RECEIPT FOR CERTIFIED MAIL

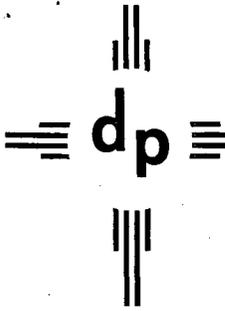
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	
Dugan Petroleum Corporation	
Street and No. P. O. Box 420	
P.O. State and ZIP Code Farmington, New Mexico 87499	
Postage	\$.45
Certified Fee	1.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.20
Postmark or Date 9/17/90	
NSL - Chaco #2	



dugan production corp.

RECEIVED
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September 20, 1990

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87503-2088

Attn: Mr. William LeMay

RE: Application for Non-Standard Location
Chaco No. 2
908' FSL & 1807' FWL
Section 7-T26N-R12W
San Juan County, NM

Dear Mr. LeMay:

Enclosed is a Waiver of Objection executed by Dugan Production Corp. for a non-standard location requested by Merrion Oil and Gas which covers the captioned well.

If you have any questions pertaining to the enclosed information, please contact me.

Sincerely,

Richard Corcoran
Land Manager

RC/mmm

Enclosures

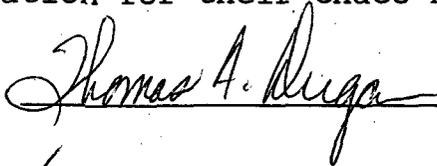
cc: Merrion Oil and Gas

New Mexico Oil Conservation Division
Page Two
September 17, 1990

WAIVER

DUGAN PRODUCTION CORP. hereby waives objection to
Merrion Oil & Gas Corporation's application for a non-standard
location for their Chaco No. 2 as proposed above.

By:



Date: September 20, 1990

CC: ✓ Dugan Petroleum Corp-Fmgtn, NM
B.I.A.-Window Rock, AZ
Southern Union Exploration-Fmtgn, NM
Well File