

# MERRION

Oil & Gas

NOV - 9 2000

CONSERVATION DIV.

November 6, 2000

Mr. Ben Stone  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, NM 87505

RE: Administrative Order SWD-686  
Jones #1  
Section 22, T32N, R13W  
San Juan County, New Mexico

Dear Mr. Stone

According to the subject administrative order, injection into the Jones #1 was to have begun by November 24, 1998. Merrion has not re-entered the well to date.

The water disposal well was to be a backup in case our original produced water disposal option did not work. We are currently using the produced water for dust control on the haul road through an agreement with LaPlata mine.

The demand for water from the mine is uncertain and we would like to maintain the option of using the Jones #1 for produced water disposal if necessary. We request that the permit remain in effect so that we may complete the conversion of the wellbore and begin injection when an alternative water disposal source is required.

Sincerely



Connie Dinning, Engineer

xc: Well File

NEEDS TO  
REAPPLY FOR  
INJECTION.

MD  
11-9-00