

MERRION  
OIL & GAS

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OIL CONSERVATION DIV.

02 JUN 20 PM 12:04

June 19, 2002

Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Attention: Ms. Lori Wrotenberry, Director

**Subject: Rule 402 and Annual Gas Well Shut-In Pressure Tests**

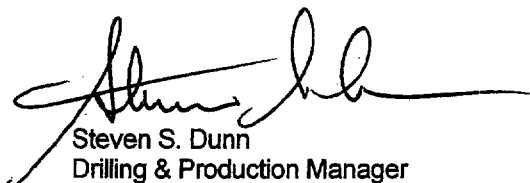
Dear Ms. Wrotenberry:

In reply to your memorandum dated May 22, 2002 Merrion Oil & Gas believes publicly available gas well shut-in pressure data is invaluable but the requirement to schedule a shut-in each year on gas wells is unnecessary. Operators already shut in gas wells during the year for a variety normal operating conditions such as pipeline maintenance operations.

Instead of requiring the scheduled shut-in, ask operators to report shut-in pressure data when their wells are shut in by normal operating constraints for longer than 24 hours. Such reporting might be included as part of the production reporting system already in place.

We thank you for the opportunity to comment on Rule 402. Feel free to give me a call if you wish to discuss.

Sincerely,



Steven S. Dunn  
Drilling & Production Manager

Cc: T. Greg Merrion

BEFORE THE	
OIL CONSERVATION COMMISSION	
Santa Fe, New Mexico	
OCD	Exhibit No. 4
Case No.	12934