

M E R R I O N

OIL & GAS

610 Reilly Avenue
Farmington New Mexico 87401
Ph: 505-327-9801
Fax: 505-326-5900

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

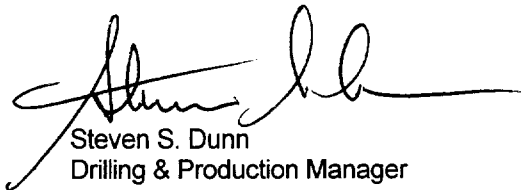
Dear Ms. Wrotenberry:

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