MERRION OIL & GAS CORPORATION

610 REILLY AVE. . P. O. BOX 840 TIL CONSERTAL ON DIVISION FARMINGTON, New Mexico 87499 RECEUED

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April 13, 1994

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

Fax 827-5741

Attn: Mike Stogner

Re:

Application for Approval for Horizontal Drilling Eagle Mesa Entrada Secondary Unit Sections 11, 12, 13 and 14, T19N, R4W Sandoval County, New Mexico

111901

Dear Mr. LeMay:

Merrion Oil & Gas Corporation hereby applies for an Order of the New Mexico Oil Conservation Division authorizing the drilling of one or more horizontal wells in the Eagle Mesa Entrada Secondary Unit. All wells will be drilled such that the surface location and bottom hole location of the horizontal section will be no closer than 330' to the outer edge of the Unit bondary (see attached plat).

The leases in the field have been unitized to provide for horizontal drilling. The spacing unit for the wells, therefore, will be the entire 280 acre Unit.

Please schedule this matter for hearing on your May 12th docket. We will notify all offset owners at least 20 days prior to the hearing date.

Please give me a call at 327-9801 if you have questions concerning this application.

Sincerely,

MERRION OIL & GAS CORPORATION

George F. Shårpe

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Manager - Oil & Gas Investments

xc: Frank Chavez - NMOCD-Aztec Duane Spencer - BLM-Farmington Mary Lou Drywater - BIA-Window Rock Yates Petroleum Corp. Tommy Roberts

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