

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10971

APPLICATION OF MERRION OIL &
GAS CORPORATION FOR A HIGH ANGLE
HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT AND FOR THE
PROMULGATION OF SPECIAL OPERATING
RULES THEREFOR, SANDOVAL COUNTY,
NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Merrion Oil & Gas Corporation as required
by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

MERRION OIL & GAS CORPORATION

Tommy Roberts

ATTN: GEORGE F. SHARPE

P.O. Box 1020

P.O. BOX 840

Farmington, New Mexico 87499

FARMINGTON, NEW MEXICO 87499

505/325-1805

505/327-9801

OPPOSITION OR OTHER PARTY

ATTORNEY

Not Known

Not known

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with the application and the reasons therefore.)

Merrion Oil & Gas Corporation seeks an order of the Oil Conservation Division approving a high angle/horizontal directional drilling pilot project in the area of the Eagle Mesa Entrada Oil Pool and within the boundaries of its Eagle Mesa Entrada Secondary (Federal) Unit. The Unit consists of 280 acres located in portions of Section 11, 12, 13 and 14, Township 19 North, Range 4 West, N.M.P.M. Merrion also seeks the assignment of a special oil allowable based on the number of acres within the Unit as compared to the allowable which has been established for the Pool based on statewide spacing. In support of its application, Merrion will submit testimony and evidence which indicates that horizontal drilling techniques must be used to maximize the recovery of reserves on an economic basis.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

NOT KNOWN

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
George F. Sharpe - Petroleum Engineer	20 min.	<ul style="list-style-type: none">- Lease Ownership Plat- Unit Agreement- Entrada Dune Cross-Section & Schematic- Entrada Structure Map- Economic Analysis of Vertical vs. Horizontal Drilling- Target Window Map- Proof of Service

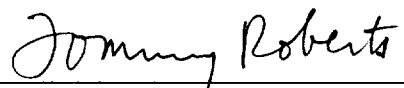
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NOT KNOWN

PROCEDURAL MATTERS
(Please identify any procedural matters which
need to be resolved prior to the hearing)

NONE



TOMMY ROBERTS, Attorney for
Merrion Oil & Gas Corporation

DATED: May 3, 1994

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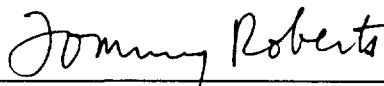
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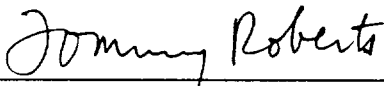
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