



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.
COMMISSIONER

March 22, 1996

Northland Operating Company
Post Office Box 447
Roswell, New Mexico 88202

Attn: Mr. Carl A. Schellinger

Re: Resignation/Designation of Successor Unit Operator
Rock Queen Unit
Chaves County, New Mexico

Dear Mr. Schellinger:

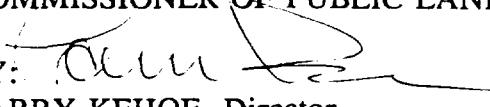
The Oil, Gas & Minerals Division received a resignation/designation of successor unit operator, wherein Circle Ridge Production Company resigned as unit operator of the Rock Queen Unit, and designated Northland Operating Company as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation/designation described herein. This change in operators is effective February 1, 1996. In accordance with this approval, Northland Operating Company is now responsible for all operations and the reporting of all production from the unit. Our approval is subject to like approval by the Bureau of Land Management.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
LARRY KEHOE, Director
Oil, Gas & Minerals Division
(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File Commissioner's File OCD-Roy Johnson BLM TRD
Circle Ridge Production Company

OIL CONSERVATION DIVISION
RECEIVED



10576

'95 MAR 24 PM 8 52

State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

March 29, 1995

Merrion Oil & Gas Corporation
P.O. Box 840
Farmington, New Mexico 87499

Attention: Ms. Crystal Williams

Re: Unit Termination
Rock Mesa Unit
Sandoval County, New Mexico

Dear Ms. Williams:

Our records reflect that the Rock Mesa Unit was effective November 9, 1992. Our records also reflect that the Rock Mesa Unit Well No. 1, NW4SE4, Section 32-19N-03W was plugged and abandoned on April 16, 1993.

Section 9 of the Unit Agreement specifies that until the discovery of unitized substances capable of being produced in paying quantities, the unit operator shall continue drilling one well at a time, allowing not more than six months between the completion of one well and the commencement of drilling operations on the next well, until a well capable of production in paying quantities is completed. The Rock Mesa Unit Well No. 2 was to have been commenced on or before October 16, 1993.

Pursuant to Section 9 on the Rock Mesa Unit, since drilling operations were not in progress in the unit on October 16, 1993, the unit agreement is considered to have been terminated effective as of that date.

Please advise all interested parties of this action.

Merrion Oil & Gas Corporation

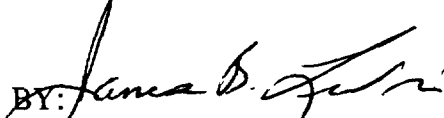
Page 2

March 29, 1995

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMES B. LEWIS, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JBL/cpm

Enclosure

cc: Reader File

BLM-Albuquerque--Attention: Robert Kent

OCD-Santa Fe--Attention: Roy Johnson

TRD-Santa Fe--Attention: Valdean Severson

92 OCT 30 AM 8: 05 Attached to and made part of that certain Unit Agreement dated October 1, 1992

FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

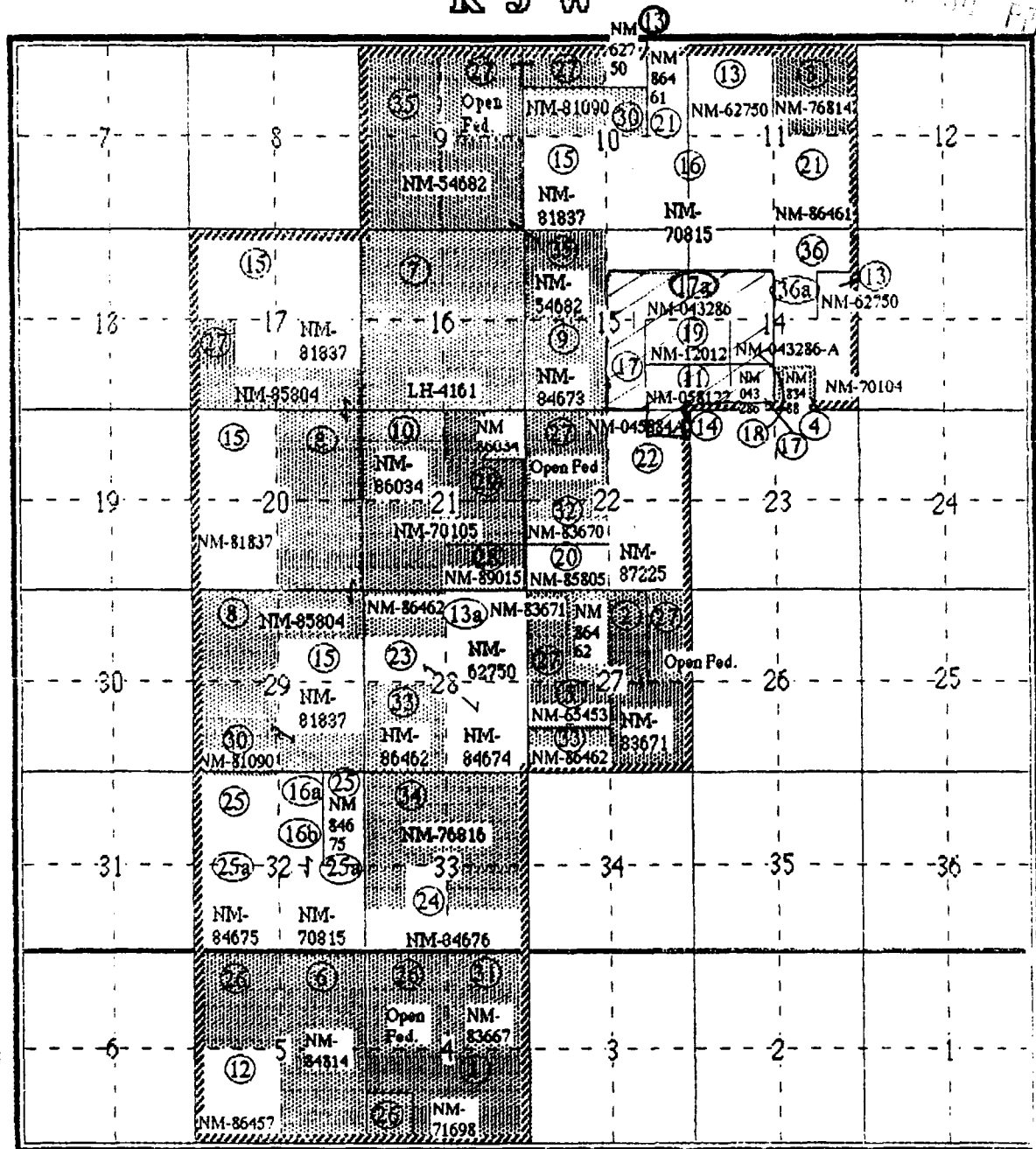
EXHIBIT "A"

Unit Map

R 3 W

T
19
N

T
18
N



////// Unit Boundary

LEGEND

Others' Leases

Merrion Oil Leases

○ Tract #'s

 BMG/Jordan Leases OpenAcreage

PooledAcreage

Yates' Leases

"Approval of this action does not warrant that the applicant holds legal or equitable rights or title to this lease."

TERMINATED
EFFECTIVE DATE 10-16-93
APPROVAL DATE 3-28-95

Exhibit "B"

Schedule of Ownership
Schedule Showing All Lands and Leases Within the Rock Mesa Unit, Sandoval County, New Mexico
dated October 1, 1992

RECEIVED
BLM

Tract No.	Description of Lands	Unit Acreage	Lease No. & Exp. Date	Basic Royalty	Lessee of Record	Total Overriding Royalty %	Working Interest %	Beneficiary
1	T18N-R3W-SEC. 4: SE/4, N/2 SW/4, SE/4 SW/4	280.00	NM-71698 06-01-93	12.50%	AXEM ENERGY	NONE	100.00%	AXEM ENERGY
2	T19N-R3W - SEC. 27: NW/4 NW/4, SE/4, W/2 NE/4	280.00	NM-83671 03-01-00	12.50%	ESTATE OF R. CHORNEY	NONE	100.00%	ESTATE OF R. CHORNEY
	T19N-R3W-SEC. 11: NE/4	160.00	NM-76814 10-01-93	12.50%	G-WILLIAMS	NONE	100.00%	G-WILLIAMS
4	T19N-R3W-SEC. 14: SW/4 SE/4	40.00	NM-83488 04-01-95	12.050%	G-WILLIAMS	0.50%	100.00%	G-WILLIAMS
5	T19N-R3W - SEC. 27: N/2 SW/4	80.00	NM-65453 02-01-95	12.50%	C. GRYNBERG	6.25%	100.00%	C. GRYNBERG
6	T18N-R3W - SEC. 5: LOTS 1-2, S/2 NE/4, SE/4	306.04	NM-84814 09-01-95	12.50%	JORDAN OIL BMG DRILG.	3.50%	25.00% 75.00%	JORDAN OIL BMG DRILG.
7	T19N-R3W - SEC. 16: ALL	640.00	LH-4161 05-01-00	12.50%	JORDAN OIL	NONE	100.00%	JORDAN OIL
8	T19N-R3W SEC. 17: S/2 S/2 SEC. 20: E/2 SEC. 29: NW/4, N/2 NE/4, N/2 SW/4, S/2 SE/4	880.00	NM-85804 12-01-95	12.50%	JORDAN OIL BMG DRILG.	3.50%	25.00% 75.00%	JORDAN OIL BMG DRILG.
9	T19N-R3W - SEC. 15: SW/4	160.00	NM-84673 06-01-95	12.50%	JORDAN OIL BMG DRILG.	3.50%	25.00% 75.00%	JORDAN OIL BMG DRILG.
10	T19N-R3W SEC. 21: NW/4, NE/4 NE/4	200.00	NM-86034 11-01-96	12.50%	JORDAN OIL BMG DRILG.	7.50%	25.00% 75.00%	JORDAN OIL BMG DRILG.

Page 1 of 5

"Approval of this action does not warrant that the applicant holds legal or equitable rights or title to this lease."

Tract No.	Description of Lands	Unit Acreage	Lease No. & Exp. Date	Basic		Lessee of Record	Total Overriding		Working Interest %	Beneficiary
				Royalty			Royalty %			
11	T19N-R3W-SEC. 14: SW/4 SW/4, SEC. 15: SE/4 SE/4	80.00	NM-058122 HBU	12.50%		MERRION OIL	16.50%		100.00%	MERRION OIL
12	T18N-R3W - SEC. 5: SW/4	160.00	NM-86457 06-01-96	12.50%		MERRION OIL	1.80%		100.00%	MERRION OIL
13	T19N-R3W-SEC. 10: NW/4 NE/4, SEC. 11: NW/4, SEC. 14: SE/4 NE/4,	240.00	NM-62750 11-01-96	12.50%		W. THORNTON	5.50%		100.00%	MERRION OIL
13a	SEC. 28: NE/4	160.00		12.50%		W. THORNTON	8.00%		100.00%	MERRION OIL
	T19N-R3W-SEC. 22: N/2 NE/4 NE/4	20.00	NM-045884-A HBU	12.50%		MERRION OIL	16.50%		100.00%	MERRION OIL
15	T19N-R3W - SEC. 10: SW/4 SEC. 17: N/2, N/2 SE/4, NE/4 SW/4, SEC. 20: W/2, SEC. 29: S/2 NE/4, N/2 SE/4	1080.00	NM-81837 08-01-94	12.50%		MERRION OIL	3.00%		100.00%	MERRION OIL
16	T19N-R3W - SEC. 10: SE/4, SEC. 11: SW/4, SEC. 14: N/2 NW/4, SEC. 15: N/2 NE/4	480.00	NM-70815 12-01-00	12.50%		MERRION OIL	5.50%		100.00%	MERRION OIL
16a	SEC. 32: NW/4 NE/4	40.00		12.50%		MERRION OIL	8.00%		100.00%	MERRION OIL
16b	SEC. 32: SE/4, SW/4 NE/4	200.00		12.50%		MERRION OIL	6.80%		100.00%	MERRION OIL
17	T19N-R3W-SEC. 14: SE/4SW/4, SEC. 15: W/2 SE/4	120.00	NM-043286 HBU	12.50%		MERRION OIL	16.50%		100.00%	MERRION OIL
	SEC. 14: S/2 NW/4, SEC. 15: S/2 NE/4	160.00		12.50%		MERRION OIL	17.50%		100.00%	MERRION OIL
18	T19N-R3W - SEC. 14: NE/4 SW/4	40.00	NM-043286-A HBU	12.50%		MERRION OIL	16.50%		100.00%	MERRION OIL
19	T19N-R3W-SEC. 14: NW/4 SW/4, SEC. 15: NE/4 SE/4	80.00	NM-12012 HBU	12.50%SS		MERRION OIL	16.50%		100.00%	MERRION OIL

Tract No.	Description of Lands	Unit Acreage	Lease No. & Exp. Date	Basic Royalty	Lessee of Record	Total Overriding Royalty %	Working Interest %	Beneficiary
20	T19N-R3W-SEC. 22: S/2 SW/4	80.00	NM-85805 12-01-95	12.50%	MERRION OIL	2.00%	100.00%	MERRION OIL
21	T19N-R3W-SEC. 10: E/2 NE/4 SEC. 11: SE/4	240.00	NM-86461 06-01-96	12.50%	MERRION OIL	3.00%	100.00%	MERRION OIL
22	T19N-R3W-SEC. 22: SE/4, S/2 NE/4, NW/4 NE/4, S/2 NE/4 NE/4	300.00	NM-87225 12-01-96	12.50%	MERRION OIL	3.00%	100.00%	MERRION OIL
23	T19N-R3W SEC. 28: S/2 NW/4, SE/4	240.00	NM-84674 06-01-95	12.50%	MERRION OIL	3.00%	100.00%	MERRION OIL
24	T19N-R3W SEC. 33: S/2 S/2, NE/4 SW/4	200.00	NM-84676 06-01-95	12.50%	MERRION OIL	3.00%	100.00%	MERRION OIL
25	T19N-R3W SEC. 32: NE/4 NE/4, N/2 NW/4 SEC. 32: SW/4, S/2 NW/4, SE/4 NE/4	120.00 280.00	NM-84675 06-01-95	12.50% 12.50%	MERRION OIL MERRION OIL	5.00% 3.80%	100.00% 100.00%	MERRION OIL MERRION OIL
26	T18N-R3W-SEC. 4: LOTS 3,4, S/2 NW/4, SW/4 SW/4, SEC. 5: LOTS 3,4, S/2 NW/4	331.87	N/A	N/A	OPEN FED.	N/A	N/A	N/A
27	T19N-R3W-SEC. 9: NE/4, SEC. 10: N/2 NW/4, SEC. 17: NW/4 SW/4, SEC. 22: NW/4, SEC. 27: SW/4 NW/4, E/2 NE/4	560.00	N/A	N/A	OPEN FED.	N/A	N/A	N/A
28	T19N-R3W - SEC. 21: S/2 SE/4	80.00	NM-89015 06-01-97	12.50%	S. SMITH D. SMITH	NONE	50.00% 50.00%	S. SMITH D. SMITH
29	T19N-R3W SEC. 21: W/2 NE/4, SE/4 NE/4, N/2 SE/4, SW/4	360.00	NM-70105 02-01-98	12.50%	S. SMITH D. SMITH	NONE	50.00% 50.00%	S. SMITH D. SMITH

Tract No.	Description of Lands	Unit Acreage	Lease No. & Exp. Date	Basic Royalty	Lessee of Record	Total Overriding Royalty %	Working Interest %	Beneficiary
30	T19N-R3W SEC. 10: S/2 NW/4, SW/4 NE/4 SEC. 29: S/2 SW/4	200.00	NM-81090 04-01-94	12.50%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.	NONE	4.00% 32.00% 32.00% 32.00%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.
31	T18N-R3W - SEC. 4: LOTS 1,2, S/2NE/4	145.25	NM-83667 03-01-00	12.50%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.	NONE	4.00% 32.00% 32.00% 32.00%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.
32	T19N-R3W - SEC. 22: N/2 SW/4	80.00	NM-83670 03-01-00	12.50%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.	NONE	4.00% 32.00% 32.00% 32.00%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.
33	T19N-R3W-SEC. 28: N/2 NW/4, SW/4, SEC. 27: E/2 NW/4, S/2 SW/4	400.00	NM-86462 06-01-96	12.50%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.	NONE	4.00% 32.00% 32.00% 32.00%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.
34	T19N-R3W - SEC. 33: N/2, N/2 SE/4, NW/4 SW/4	440.00	NM-76816 09-01-93	12.50%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.	NONE	10.00% 30.00% 30.00% 30.00%	YATES PETRO. YATES DRLG. ABO PETRO. MYCO IND.
35	T19N-R3W-SEC. 9: S/2, NW/4, SEC. 15: NW/4	640.00	NM-54682 04-01-93	12.50%	BMG DRLG.	3.50%	100.00%	BMG DRLG.
36a	T19N-R3W-SEC. 14: N/2 NE/4, N/2 SE/4, SE/4 SE/4	80.00 160.00	NM-70104 NM-70104	12.50% 12.50%	MERRION OIL MERRION OIL	6.00% 3.00%	100.00% 100.00%	MERRION OIL MERRION OIL
		10823.16	SUBTL:					

as of 10/21/92

B/State Ext. B to RMU/2/102192

Exhibit "B", Part II
Rock Mesa Unit
Fractured Mancos Overriding Royalty Interests
10/21/92

TR. #	LEASE NO.	ORRI OWNER	% OWNED	TOTAL ORRIs	NRI
4	NM-83488	HAROLD ANDERSON	0.5%	0.5%	87.00%
5	NM-65453	CELESTE GRYNBERG	6.25%	6.25%	81.25%
6	NM-84814	JORDAN OIL	3.50%	3.50%	84.00%
8	NM-85804	JORDAN OIL	3.50%	3.50%	84.00%
9	NM-84673	JORDAN OIL	3.50%	3.50%	84.00%
10	NM-86034	JORDAN OIL	3.50%	7.50%	80.00%
		WINSTON THORNTON	4.00%		
11	NM-058122	MARITA MURPHY FOR MCKENZIE ESTATES	1.00%	16.50%	71.00%
		ETHEL BATE	0.125%		
		ELIZABETH BRADY	0.125%		
		DEBORAH BATE MCDANIELS	0.125%		
		RYAN FLOYD SPENCER	0.125%		
		BARBARA TALENTO	0.50%		
		GERALDINE REIMER	5.00%		
		VAL R. REESE	1.00%		
		MALCOLM COLBERG ET UX	0.125%		
		WYCLIFFE BUTLER ET UX	0.125%		
		CXY ENERGY INC.	0.825%		
		MERRION OIL & GAS	7.425%		
12	NM-86457	BILL CHITTUM	0.90%	1.80%	85.70%
		DAVE BAKER	0.90%		
13	NM-62750	WINSTON THORNTON	3.00%	5.50%	82.00%
		BILL CHITTUM	1.25%		
		BRUCE BLACK	1.25%		
13a		WINSTON THORNTON	3.00%	8.00%	79.50%
		BILL CHITTUM	2.50%		
		DAVE BAKER	2.50%		
14	NM-045884-A	JARED SCHAFER, GUARDIAN OF DUNCAN MILLER	5.00%	16.50%	71.00%
		THE BURBRIDGE FOUNDATION	3.00%		
		VAL R. REESE	1.75%		
		MALCOLM COLBERG ET UX	0.125%		
		WYCLIFFE BUTLER ET UX	0.125%		
		CXY ENERGY INC.	0.575%		
		MERRION OIL & GAS	5.925%		

TR. #	LEASE NO.	ORRI OWNER	% OWNED	TOTAL ORRIs	NRI
15	NM-81837	BILL CHITTUM	1.50%	3.00%	84.50%
		DAVE BAKER	1.50%		
16	NM-70815	KATHERINE COLETTI	1.13%	5.50%	82.00%
		WILLIAM EVANS ET UX	0.75%		
		ROBERT CHERRY	0.38%		
		GEORGE MASON	0.75%		
		BILL CHITTUM	1.25%		
		BRUCE BLACK	1.25%		
16a		KATHERINE COLETTI	1.13%	8.00%	79.50%
		WILLIAM EVANS ET UX	0.75%		
		ROBERT CHERRY	0.38%		
		GEORGE MASON	0.75%		
		BILL CHITTUM	2.50%		
		DAVE BAKER	2.50%		
16b		KATHERINE COLETTI	1.13%	6.80%	80.70%
		WILLIAM EVANS ET UX	0.75%		
		ROBERT CHERRY	0.38%		
		GEORGE MASON	0.75%		
		BILL CHITTUM	1.90%		
		DAVE BAKER	1.90%		
17	NM-043286	MALCOLM COLBERG ET UX	0.125%	16.50%	71.00%
		WYCLIFFE BUTLER ET UX	0.125%		
		VAL R. REESE	1.00%		
		CXY ENERGY INC.	0.275%		
		F.H. HARTMAN	0.0625%		
		JOHN BEARD	1.5469%		
		BEARD OIL	4.6406%		
		BRUCE ANDERSON	6.25%		
		MERRION OIL & GAS	2.475%		
17a		VAL R. REESE, INC.	1.75%	17.50%	70%
		MALCOLM COLBERG ET UX	0.125%		
		WYCLIFFE BUTLER ET UX	0.125%		
		MERRION OIL & GAS	2.70%		
		CXY ENERGY INC.	0.30%		
		BRUCE ANDERSON	6.25%		
		F.H. HARTMAN	0.0625%		
		JOHN BEARD	1.5469%		
		BEARD OIL	4.6406%		
18	NM-043286-A	F.H. HARTMAN	0.1250%	16.50%	71.00%
		JOHN BEARD	3.09375%		
		BEARD OIL	9.28125%		
		VAL R. REESE	1.00%		
		MALCOLM COLBERG ET UX	0.125%		
		WYCLIFFE BUTLER ET UX	0.125%		
		CXY ENERGY INC.	0.275%		
		MERRION OIL & GAS	2.475%		

TR. #	LEASE NO.	ORRI OWNER	% OWNED	TOTAL ORRIs	NRI
19	NM-12012	MALCOLM COLBERG ET UX	0.25%	16.50%	71.00%SS
		WYCLIFFE BUTLER ET UX	0.25%		
		VAL R. REESE	2.00%		
		CXY ENERGY INC.	1.40%		
		MERRION OIL & GAS	12.60%		
20	NM-85805	BILL CHITTUM	1.00%	2.00%	85.50%
		DAVE BAKER	1.00%		
21	NM-86461	BILL CHITTUM	1.50%	3.00%	84.50%
		DAVE BAKER	1.50%		
22	NM-87225	BILL CHITTUM	1.50%	3.00%	84.50%
		DAVE BAKER	1.50%		
23	NM-84674	BILL CHITTUM	1.50%	3.00%	84.50%
		DAVE BAKER	1.50%		
24	NM-84676	BILL CHITTUM	1.50%	3.00%	84.50%
		DAVE BAKER	1.50%		
25	NM-84675	BILL CHITTUM	2.50%	5.00%	82.5%
		DAVE BAKER	2.50%		
25a	NM-84675	BILL CHITTUM	1.90%	3.80%	83.70%
		DAVE BAKER	1.90%		
35	NM-54682	MAUREEN GROSSER	3.50%	3.50%	84.00%
36	NM-70104	B. B. LASRICH FAMILY TRUST	3.00%	6.00%	81.50%
		BILL CHITTUM	1.50%		
		DAVE BAKER	1.50%		
36a	NM-70104	B.B. LASRICH FAMILY TRUST	3.00%	3.00%	84.50%

NOTE: The information on the attached schedule is furnished for your convenience, and Merrion Oil & Gas Corporation makes no representation to the content or accuracy thereof.

9375



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

10576

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

April 1, 1993

Merrion Oil and Gas Corporation
P. O. Box 840
Farmington, New Mexico 87499

Attention: Ms. Crystal Williams

Re: Request to Extend Drilling Deadline
Rock Mesa Unit Agreement
Sandoval County, New Mexico

Dear Ms. Williams:

This office is in receipt of your letter of March 29, 1993 requesting our approval to extend the drilling deadline of the Rock Mesa Unit Well No. 1.

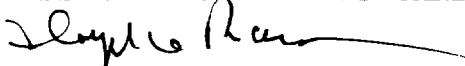
Please be advised that the Commissioner of Public Lands has this date approved a one time drilling extension for the Rock Mesa Unit Well No. 1 to May 6, 1993. Please also be advised that this extension will not extend any short term leases committed to this unit agreement which might expire prior to drilling of this well.

Our approval is subject to like approval by the Bureau of Land Management.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
BLM-Albuquerque
OCD-Santa Fe



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

November 4, 1992

TANSEY, ROSEBROUGH, GERDING
& STORTHER
Attorneys at Law
P. O. Box 1020
Farmington, New Mexico 87499

RE: CASE NO. 10576
ORDER NO. R-9757

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson
Florene Davidson
OC Staff Specialist

FD/sl

cc: Aztec OCD Office
BLM Farmington Office



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

November 9, 1992

Merrion Oil & Gas Corporation
610 Reilly Avenue
P.O. Box 840
Farmington, New Mexico 87499

Attention: Ms. Crystal Williams

Re: Final Approval
Rock Mesa Unit Agreement
Sandoval County, New Mexico

Dear Ms. Williams:

This office is in receipt of your letter of October 8, 1992, wherein you have requested final approval of the Rock Mesa Unit Agreement, Sandoval County, New Mexico. The Bureau of Land Management approved this unit on October 6, 1992. The New Mexico Oil Conservation Division by Case No. 10576, Order No. R-9757 approved this Unit Agreement on November 4, 1992.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Rock Mesa Unit Agreement, Sandoval County, New Mexico. It is our understanding that Tract Nos. 2, 4, 5, 28, and 29 are not committed to the unit agreement at this time.

The Bureau of Land Management by their letter of October 29, 1992 has advised this office that revised Exhibits "A" and "B" to the Rock Mesa Unit (Tract No. 27) have been approved. You are requested to furnish this office copies of the above mentioned revision. In addition, please furnish us with copies of all well records regarding the drilling of the initial test well.

Enclosed are five (5) Certificates of Approval.

Please advise all interested parties of this action.

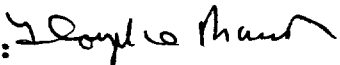
Your filing fee in the amount of five hundred ten (\$510.00) dollars has been received.

Merrion Oil & Gas Corporation
November 9, 1992
Page 2

If you have any questions, or if we may be of further help,
please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

JB/FOP/pm

encls.

cc: Reader File

OCD

TRD

BLM

UNIT NAME: ROCK MESA UNIT
OPERATOR: MERRION OIL & GAS CORPORATION
COUNTY: SANDOVAL

OCD

DATE	OCD CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL - INDIAN	FEE	SEG CLAUSE	TERM
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11/9/92	CASE NO. 10576	11/9/92	10823.16	640.00	10183.16	-0-	MODIFIED	5 YEARS AND SO LONG AS
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ORDER NO. R-9757
NOVEMBER 4, 1992

OCD: 11/4/92 CASE NO. 10576 ORDER NO. R-9757

CPL: 11/9/92

BLM: 10/6/92

TRACT NOS. 1,2,3,4,5,28,29 NOT COMMITTED TO UNIT

UNIT AREA:

TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM
Sections 4 and 5: A11

TOWNSHIP 19 NORTH, RANGE 3 WEST, NMPM
Sections 9 through 11: A11
Sections 14 through 17: A11
Sections 20 through 22: A11
Sections 27 through 29: A11
Sections 32 and 33: A11

With the exception of the Entrada formation underlying those lands dedicated to the Media Entrada (Federal) Unit approved October 10, 1975, and comprising 500 acres, more or less:

TOWNSHIP 19 NORTH, RANGE 3 WEST, NMPM
Section 14: S/2 NW/4 and SW/4
Section 15: S/2 NE/4 and SE/4
Section 22: N/2 NE/4 NE/4

Unit Map

R 3 W

Unit Boundary

LEGEND

Others' Leases

☐ Merrion Oil Leases

○ Tract #'s

 BMG/Jordan Leases OpenAcreage
PooledAcreage

Yates' Leases

Exhibit "B"
Schedule of Ownership
Schedule Showing All Lands and Leases Within the Rock Mesa Unit, Sandoval County, New Mexico
dated October 1, 1992

Tract No.	Description of Lands	Unit Acreage	Lease No. & Exp. Date	Basic Royalty	Lessee of Record	Total Overriding Royalty %	Working Interest %	Beneficiary
1	T18N-R3W-SEC. 4: SE/4, N/2 SW/4, SE/4 SW/4	280.00	NM-71698 06-01-93	12.50%	AXEM ENERGY	N/C NONE	100.00%	AXEM ENERGY
2	T19N-R3W - SEC. 27: NW/4 NW/4, SE/4, W/2 NE/4	280.00	NM-83671 03-01-00	12.50%	ESTATE OF R. CHORNEY	N/C NONE	100.00%	ESTATE OF R. CHORNEY
	T19N-R3W-SEC. 11: NE/4	160.00	NM-76814 10-01-93	12.50%	G-WILLIAMS	N/C NONE	100.00%	G-WILLIAMS
4	T19N-R3W-SEC. 14: SW/4 SE/4	40.00	NM-83488 04-01-95	12.050%	G-WILLIAMS	N/C 0.50%	100.00%	G-WILLIAMS
5	T19N-R3W - SEC. 27: N/2 SW/4	80.00	NM-65453 02-01-95	12.50%	C. GRYNBERG	N/C 6.25%	100.00%	C. GRYNBERG
6	T18N-R3W - SEC. 5: LOTS 1-2, S/2 NE/4, SE/4	306.04	NM-84814 09-01-95	12.50%	JORDAN OIL BMG DRLG.	N/C 3.50% N/C 12.12%	25.00% 75.00%	JORDAN OIL BMG DRLG.
7	T19N-R3W - SEC. 16: ALL C.S.	640.00	LH-4161 05-01-00	12.50%	JORDAN OIL	N/C NONE	100.00%	JORDAN OIL C.S.
8	T19N-R3W SEC. 17: S/2 S/2 SEC. 20: E/2 SEC. 29: NW/4, N/2 NE/4, N/2 SW/4, S/2 SE/4	880.00	NM-85804 12-01-95	12.50%	JORDAN OIL BMG DRLG.	N/C 3.50% N/C 12.12%	25.00% 75.00%	JORDAN OIL BMG DRLG.
9	T19N-R3W - SEC. 15: SW/4	160.00	NM-84673 06-01-95	12.50%	JORDAN OIL BMG DRLG.	N/C 3.50% N/C 12.12%	25.00% 75.00%	JORDAN OIL BMG DRLG.
10	T19N-R3W SEC. 21: NW/4, NE/4 NE/4	200.00	NM-86034 11-01-96	12.50%	JORDAN OIL BMG DRLG.	N/C 7.50% N/C 12.12%	25.00% 75.00%	JORDAN OIL BMG DRLG.

Tract No.	Description of Lands	Unit Acreage	Lease No. & Exp. Date	Basic Royalty	Lessee of Record	Total Overriding Royalty %	Working Interest %	Beneficiary
11	T19N-R3W-SEC. 14: SW/4 SW/4, SEC. 15: SE/4 SE/4	80.00	NM-058122 HBU	12.50%	MERRION OIL	91.9412-16.50%	100.00%	MERRION OIL
12	T18N-R3W - SEC. 5: SW/4	160.00	NM-86457 06-01-96	12.50%	MERRION OIL	91.9412-1.80%	100.00%	MERRION OIL
13	T19N-R3W-SEC. 10: NW/4 NE/4, SEC. 11: NW/4, SEC. 14: SE/4 NE/4,	240.00	NM-62750 11-01-96	12.50%	W. THORNTON	91.1112-5.50%	100.00%	MERRION OIL
13a	SEC. 28: NE/4	160.00		12.50%	W. THORNTON	91.1112-8.00%	100.00%	MERRION OIL
	T19N-R3W-SEC. 22: N/2 NE/4 NE/4	20.00	NM-045884-A HBU	12.50%	MERRION OIL	91.1112-16.50%	100.00%	MERRION OIL
15	T19N-R3W - SEC. 10: SW/4 SEC. 17: N/2, N/2 SE/4, NE/4 SW/4, SEC. 20: W/2, SEC. 29: S/2 NE/4, N/2 SE/4	1080.00	NM-81837 08-01-94	12.50%	MERRION OIL	91.1112-3.00%	100.00%	MERRION OIL
16	T19N-R3W - SEC. 10: SE/4, SEC. 11: SW/4, SEC. 14: N/2 NW/4, SEC. 15: N/2 NE/4	480.00	NM-70815 12-01-00	12.50%	MERRION OIL	91.1112-5.50%	100.00%	MERRION OIL
16a	SEC. 32: NW/4 NE/4	40.00		12.50%	MERRION OIL	91.1112-8.00%	100.00%	MERRION OIL
16b	SEC. 32: SE/4, SW/4 NE/4	200.00		12.50%	MERRION OIL	91.1112-6.80%	100.00%	MERRION OIL
17	T19N-R3W-SEC. 14: SE/4SW/4, SEC. 15: W/2 SE/4	120.00	NM-043286 HBU	12.50%	MERRION OIL	91.1112-16.50%	100.00%	MERRION OIL
	SEC. 14: S/2 NW/4, SEC. 15: S/2 NE/4	160.00		12.50%	MERRION OIL	91.1112-17.50%	100.00%	MERRION OIL
18	T19N-R3W - SEC. 14: NE/4 SW/4	40.00	NM-043286-A HBU	12.50%	MERRION OIL	91.1112-16.50%	100.00%	MERRION OIL
19	T19N-R3W-SEC. 14: NW/4 SW/4, SEC. 15: NE/4 SE/4	80.00	NM-12012 HBU	12.50%SS	MERRION OIL	91.1112-16.50%	100.00%	MERRION OIL

Tract No.	Description of Lands	Unit Acreage	Lease No. & Exp. Date	Basic Royalty	Lessee of Record	Total Overriding Royalty %	Working Interest %	Beneficiary
20	T19N-R3W-SEC. 22: S/2 SW/4	80.00	NM-85805 12-01-95	12.50%	MERRION OIL	11.81(12-2.00%	100.00%	MERRION OIL
21	T19N-R3W-SEC. 10: E/2 NE/4 SEC. 11: SE/4	240.00	NM-86461 06-01-96	12.50%	MERRION OIL	11.81(12-3.00%	100.00%	MERRION OIL
22	T19N-R3W-SEC. 22: SE/4, S/2 NE/4, NW/4 NE/4, S/2 NE/4 NE/4	300.00	NM-87225 12-01-96	12.50%	MERRION OIL	11.81(12-3.00%	100.00%	MERRION OIL
23	T19N-R3W SEC. 28: S/2 NW/4, SE/4	240.00	NM-84674 06-01-95	12.50%	MERRION OIL	11.81(12-3.00%	100.00%	MERRION OIL
24	T19N-R3W SEC. 33: S/2 S/2, NE/4 SW/4	200.00	NM-84676 06-01-95	12.50%	MERRION OIL	11.81(12-3.00%	100.00%	MERRION OIL
25	T19N-R3W SEC. 32: NE/4 NE/4, N/2 NW/4 SEC. 32: SW/4, S/2 NW/4, SE/4	120.00 280.00	NM-84675 06-01-95	12.50% 12.50%	MERRION OIL MERRION OIL	11.81(12-5.00% 11.81(12-3.80%	100.00% 100.00%	MERRION OIL MERRION OIL
26	T18N-R3W-SEC. 4: LOTS 3,4, S/2 NW/4, SW/4 SW/4, SEC. 5: LOTS 3,4, S/2 NW/4	331.87	N/A	N/A	OPEN FED.	11.81(12-3.00%	N/A	N/A
27	T19N-R3W-SEC. 9: NE/4, SEC. 10: N/2 NW/4, SEC. 14: N/2 NW/4, NE/4, SW/4 NE/4, N/2 SE/4, SE/4, SE/4 SEC. 17: NW/4 SW/4, SEC. 22: NW/4, SEC. 27: SW/4 NW/4, E/2 NE/4	800.00	N/A	N/A	OPEN FED.	11.81(12-3.00%	N/A	N/A
28	T19N-R3W - SEC. 21: S/2 SE/4	80.00	NM-89015 06-01-97	12.50%	S. SMITH D. SMITH	11.81(12-3.00%	50.00% 50.00%	S. SMITH D. SMITH
29	T19N-R3W SEC. 21: W/2 NE/4, SE/4 NE/4, N/2 SE/4, SW/4	360.00	NM-70105 02-01-98	12.50%	S. SMITH D. SMITH	11.81(12-3.00%	50.00% 50.00%	S. SMITH D. SMITH

as of 8/27/92

NY State Exh. B 10 RMU/1/082792



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

JIM BACA
COMMISSIONER

Santa Fe

October 27, 1992

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Merrion Oil & Gas Corporation
P. O. Box 840
Farmington, New Mexico 87499

Attn: Ms. Crystal Williams

Re: Preliminary Approval
Proposed Rock Mesa Unit
Sandoval County, New Mexico

Dear Ms. Williams:

This office has reviewed the executed unit agreement for the proposed Rock Mesa Unit, Sandoval County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands and has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases, until final approval and an effective date have been given. Also, any well commenced prior to the effective date of this agreement which penetrates its objective horizon prior to said effective date shall not be construed as the initial test well.

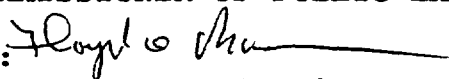
When submitting your agreement for final approval, please submit the following:

1. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
2. Copies of all well records.
3. A copy of the finalized Unit Operating Agreement.

If you have any questions, or if we can be of further help, please contact Pete Martinez at (505) 827-5791. Your filing fee in the amount of \$510.00 has been received.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
cc: BLM-Farmington
OCD-Santa Fe
Reader File



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

October 16, 1992

Merrion Oil and Gas Corporation
P. O. Box 840
Farmington, New Mexico 87499

Attn: Ms. Crystal Williams

Re: Rock Mesa Unit
Request for Final Approval
Sandoval County, New Mexico

Dear Ms. Williams:

This office is in receipt of your letter of October 8, 1992, wherein you have requested final approval of the Rock Mesa Unit Agreement, Sandoval County, New Mexico.

We regret to inform you that the unit agreement package submitted is not in order for approval. Please submit additional geological information and a geologic discussion of the unit area. Also, we will require a unit operating agreement to be filed prior to final approval.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
cc: Reader File



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

August 17, 1992

Merrion Oil and Gas Corporation
P. O. Box 840
Farmington, New Mexico 87499

Attn: Ms. Pamela Mason

Re: Proposed Rock Mesa Unit Area
Sandoval County, New Mexico

Dear Ms. Mason:

This office is in receipt of your letter of August 11, 1992 requesting our approval of the Proposed Rock Mesa Unit Area, Sandoval County, New Mexico.

We regret to inform you that preliminary approval of the Rock Mesa Unit is being withheld until the following information is submitted.

1. The unit agreement form you submitted is unacceptable. Please use the enclosed State/Federal/Fee unit agreement form. (Section 17 will have to be amended to meet the BLM's requirement for unleased acreage).
2. Engineering Report and Geological Data.
3. On Exhibit "B", Tract No. 7, the expiration date of LH-4161 should be 05-01-00.
4. Exhibit "B" should list all the Federal tracts first followed by the State tracts. There should also be a recap at the bottom of the last page which shows the Federal and State acreages and their percentages in the unit.

When submitting your unit agreement for final approval you will also need to submit the following:

- A. The filing fee for a unit agreement is \$30.00 for every section or partial section thereof. Please submit a filing fee in the amount of \$510.00
- B. An application letter requesting final approval by the Commissioner of Public Lands identifying the tracts that have been committed and those that have not been committed.
- C. Two copies of the Unit Agreement including Exhibits "A" and "B". One copy must contain original signatures.

Merrion Oil and Gas Corp.
Rock Mesa Unit
August 17, 1992
Page 2

D. Order of the New Mexico Oil Conservation Division. The State Land Office will not approve any Units until we receive the OCD order.

E. Certificate of Determination by the BLM.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Janie Bailey for FOP*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
BLM - Farmington
OCD-Santa Fe