

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

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: CLUC LARRY KEHOE, Director

Oil, Gas & Minerals Division

(505) 827-5744

RP/LK/cpm

Enclosure

cc: Reader File Commissioner's File Circle Ridge Production Company

OCD-Roy Johnson

BLM

TRD

(505) 827-5760

FAX (505) 827-5766

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

52 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

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

JAMES B. LEWIS, Director

Øil/Gas and Minerals Division

(505) 827-5744

RP/JBL/cpm

Enclosure

cc: Reader File

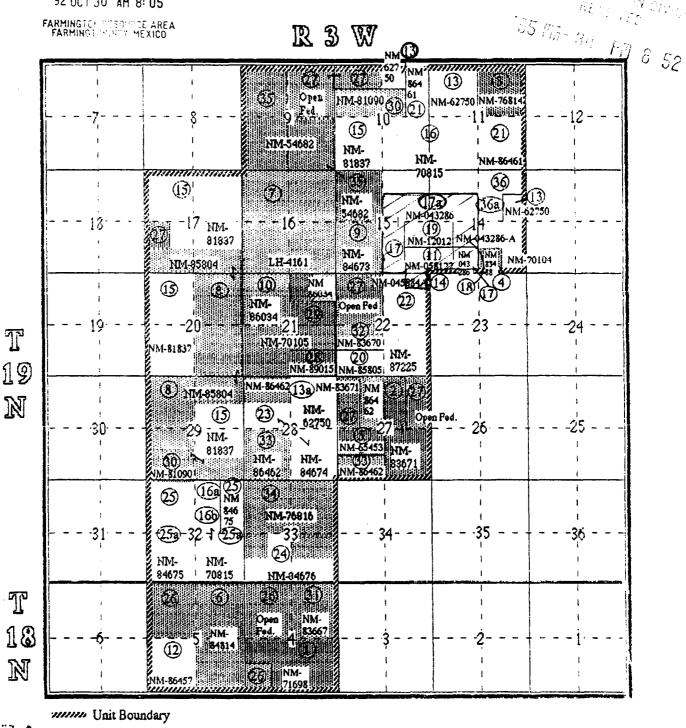
BLM-Albuquerque--Attention: Robert Kent OCD-Santa Fe--Attention: Roy Johnson TRD-Santa Fe--Attention: Valdean Severson

EXHIBIT "A"

RECEIVED BLM MAIL ROOM

Unit Map

Attached to and made part of that certain Unit Agreement dated October 1, 1992 92 007 30 AM 8: 05



	END	_
Others' Leases	Merrion Oil Leases	Tract #'s
BMG/Jordan Leases	OpenAcreage	"Approval of
PooledAcreage	Yates Leases	not warrant holds legal c

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

TERMINATED

EFFECTIVE DATE 10-16-23

APPROVAL DATE 3-28-95

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Exhibit "B"

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

EEIVED

7.50%
3.50%
3.50%
NONE
3.50%
6.25%
0.50%
NONE
NONE
NONE
Royalty %
Total Overriding

Page 1 of 5

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

			Page 2 of 5					
					нви		SW/4, SEC. 15: NE/4 SE/4	· · ·
MERRION OIL	100.00%	16.50%	MERRION OIL	12.50%SS	NM-12012	80.00	T19N-R3W-SEC. 14: NW/4	19 7
					нви		SW/4	
MERRION OIL	100.00%	16.50%	MERRION OIL	12.50%	NM-043286-A	40.00	T19N-R3W - SEC. 14: NE/4	18 7
							SEC. 15: S/2 NE/4	
MERRION OIL	100.00%	17.50%	MERRION OIL	12.50%		160.00	SEC. 14: S/2 NW/4,	, ,
	100.00	10-00	MEANION	14-00/0	HBU	120.00	SEC. 15: W/2 SE/4	
MERRION OIL	100.00%	16.50%	MERRION OIL	12 50%	NM-043286	120.00	T19N-R3W-SEC 14: SE/4SW/4	17
MERRION OIL	100.00%	6.80%	MERRION OIL	12.50%		200.00	SEC. 32: SE/4, SW/4 NE/4	
MERRION OIL	100.00%	8.00%	MERRION OIL	12.50%		40.00	SEC. 32: NW/4 NE/4	16a :
							NW/4, SEC. 15: N/2 NE/4	
					12-01-00		SEC. 11: SW/4, SEC. 14: N/2	
MERRION OIL	100.00%	5.50%	MERRION OIL	12.50%	NM-70815	480.00	T19N-R3W - SEC. 10: SE/4,	16
			-				S/2 NE/4, N/2 SE/4	
7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7							SW/4, SEC. 20: W/2, SEC. 29:	
			- :		08-01-94		SEC. 17: N/2, N/2 SE/4, NE/4	
MERRION OIL	100.00%	3.00%	MERRION OIL	12.50%	NM-81837	1080.00	T19N-R3W - SEC. 10: SW/4	15
					нви		NE/4	
MERRION OIL	100.00%	16.50%	MERRION OIL	12.50%	NM-045884-A	20.00	T19N-R3W-SEC. 22: N/2 NE/4	
MERRION OIL	100.00%	8.00%	W. THORNTON	12.50%		160.00	SEC. 28: NE/4	13a \$
						**************************************	SE/4 NE/4,	ļ.,
					11-01-96		NE/4, SEC. 11: NW/4, SEC. 14:	
MERRION OIL	100.00%	5.50%	W. THORNTON	12.50%	NM-62750	240.00	T19N-R3W-SEC. 10: NW/4	13
					06-01-96			
MERRION OIL	100.00%	1.80%	MERRION OIL	12.50%	NM-86457	160.00	T18N-R3W - SEC. 5: SW/4	12
					HBU		SW/4, SEC. 15: SE/4 SE/4	
MERRION OIL	100.00%	16.50%	MERRION OIL	12.50%	NM-058122	80.00	T19N-R3W-SEC. 14: SW/4	11
Beneficiary	Interest %	Royalty %	of Record	Royalty	& Exp. Date	Acreage		10.
	Working	I otal Overriding	Lessee	Dasic	Lease No.)III)	Description of	

1 ract	Lands	Acreage	& Exp. Date	Royalty	of Record	Royalty %	Interest %	Beneficiary
	T19N-R3W-SEC. 22: S/2 SW/4	80.00 s	NM-85805	12.50%	MERRION OIL	2.00%	100.00%	MERRION OIL
			12-01-95					
21	T19N-R3W-SEC. 10: E/2 NE/4	240.00	NM-86461	12.50%	MERRION OIL	3.00%	100.00%	MERRION OIL
			06-01-96					
22	T19N-R3W-SEC. 22: SE/4, S/2	300.00	NM-87225	12.50%	MERRION OIL	3.00%	100.00%	MERRION OIL
	NE/4, NW/4 NE/4, S/2 NE/4 NE/4		12-01-96					
23	119N-R3W	240.00	NM-84674	12.50%	MERRION OIL	3.00%	100.00%	MERRION OIL
	SEC. 28: S/2 NW/4, SE/4		06-01-95					
	119N-R3W	200.00	NM-84676	12.50%	MERRION OIL	3.00%	100.00%	MERRION OIL
	SEC. 33: S/2 S/2, NE/4 SW/4		06-01-95					
25	T19N-R3W	120.00	NM-84675	12.50%	MERRION OIL	5.00%	100.00%	MERRION OIL
	SEC. 32: NE/4NE/4, N/2 NW/4		06-01-95					
25 a \$	SEC. 32: SW/4, S/2 NW/4, SE/4	280.00		12.50%	MERRION OIL	3.80%	100.00%	MERRION OIL
26	T18N-R3W-SFC 4: 10TS 3.4	331 87	N/A	N/A	OPEN FFD	N/A	Z/A	N/A
	S/2 NW/4, SW/4 SW/4,							
	SEC. 5: LOTS 3.4, S/2 NW/4							
27	T19N-R3W-SEC 9: NE/4,	560.00	N/A	N/A	OPEN FED.	N/A	N/A	N/A
70	SEC. 17: NW/4 SW/4,							
70	SEC. 22: NW/4, SEC. 27: SW/4							
	NW/4, E/2 NE/4							
28]	T19N-R3W - SEC. 21: S/2 SE/4	80.00	NM-89015	12.50%	S. SMITH	NONE	50.00%	S. SMITH
			06-01-97		D. SMITH		50.00%	D. SMITH
29]	T) : R3W	360.00	NM-70105	12.50%	S. SMITH	NONE	50.00%	S. SMITH
7 W	SEC. 21: W/2 NE/4, SE/4 NE/4,		02-01-98		D. SMITH		50.00%	D. SMITH

	Z	36a T	Н	S	35 T)	S	34 T		S	S	33 T				32 T			S	31 T		(A		30 I	o.	LIMCE
	N/2 SE/4, SE/4 SE/4	T19N-R3W-SEC. 14: SW/4 NE/4,	[19N-R3W-SEC. 14: N/2 NE/4	SEC. 15: NW/4	П9N-R3W-SEC. 9: S/2, NW/4,			SE/4, NW/4 SW/4	T19N-R3W - SEC. 33: N/2, N/2		SW/4	SW/4, SEC. 27: E/2 NW/4, S/2	T19N-R3W-SEC. 28: N/2 NW/4,				T19N-R3W - SEC. 22: N/2 SW/4			S/2NE/4	T18N-R3W - SEC. 4: LOTS 1,2,		SEC. 29: S/2 SW/4	SEC. 10: S/2 NW/4, SW/4 NE/4	T19N-R3W	Lands	
10823.16		160.00	80.00		640.00				440.00				400.00			, ,	80.00				145.25				200.00	Acreage	()]
SUBTL:		NM-70104	NM-70104	04-01-93	NM-54682			09-01-93	NM-76816			06-01-96	NM-86462			03-01-00	NM-83670			03-01-00	NM-83667			04-01-94	NM-81090	& Exp. Date	
		12.50%	12.50%		12.50%				12.50%				12.50%				12.50%				12.50%				12.50%	Royalty	
		MERRION OIL	MERRION OIL		BMG DRLG.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	of Record	
		3.00%	સ્ટુ 6.00%		3.50%				NONE				NONE				NONE				NONE					Royalty %	÷
		100.00%	100.00%		100.00%	30.00%	30.00%	30.00%	10.00%	32.00%	32.00%	32.00%	4.00%	32.00%	32.00%	32.00%	4.00%	32.00%	32.00%	32.00%	4.00%	32.00%	32.00%	32.00%	4.00%	Interest %	•
	<u>.</u>	MERRION OIL	MERRION OIL		BMG DRLG.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	MYCO IND.	ABO PETRO.	YATES DRLG.	YATES PETRO.	Beneficiary	

Page 4 of 5

Exhibit "B" RECAPITULATION as of 10/21/92

Tracts Acres Acr	. 		Page 5 of 5	• ••••		••••
ES: 10183.15 100 10 10 2171.87 8011.29 10 0 0 0.000 60.000 10 0 0 0.000 10 0 0.000 10 0 0.000 10 0 0.000 10 0 0.000 10 0						B/State Exh. B to RMU/2/102192
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Tracts Acres Not Committed Not Committed Remain. in Unit	640.00	0.00	0	640.00	-	STATE LEASES:
Tracts Acres Not Committed Not Committed Remain. in Unit	8011.29		10	10183.16	35	FEDERAL LEASES:
	;		Not Committed	Acres	Tracts	
No. of No. of Tracts No. of Acres Total Ac.	Total Ac. Total		No. of Tracts	No. of	No. of	

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	1.00%	16.50%	71.00%
		MCKENZIE ESTATES			
······································		ETHEL BATE	0.125%	•••••••••••••••••••••••••••••••••••••••	•••••
		EUZABETH 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%		•••••
		MEI WIOTOLE & CATO	7.720/0		************************
12	NM-86457	BILL CHITTUM	0.90%	1.80%	85.70%
!	11111 00 101	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	5.00%	16.50%	71.00%
		OF DUNCAN MILLER	•	••••••	••••••••••••
***********		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%		•••••••••••••••••••••
	•				

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%		•••••••
			Ī	•	***************************************
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%		***************************************
			2.00/0	······································	
16b		KATHERINE COLETTI	1.13%	6.80%	80.70%
100		WILLIAM EVANS ET UX	0.75%	0.007	
		ROBERT CHERRY	0.38%		***************************************
		GEORGE MASON	0.75%		
•••••••		BILL CHITTUM	1.90%		••••••
		DAVE BAKER	1.90%		
•••••		DAVE BAKEN	1.90/6		
17	NM-043286	MALCOLM COLBERG ET UX	0.125%	16.50%	71.00%
!./	11111-043200	WYCLIFFE BUTLER ET UX	0.125%	10.50%	71.00%
·····		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%		***************************************
••••		<u></u>			
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.	ORRIOWNER	% 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%		······
	1114 05005	Bull Clumba	1 000/	0.000/	
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%		04.0070
			1.00/0		
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%	<u></u>	
		DAVE BAKER	-1-50%	•••••••••••••••••••••••••••••••••••••••	
36a	NM-70104	B.B. LASRICH FAMILY TRUST	3.00%	3.00%	84.50%
	14141-70104	B.B. BAOMOTT AMILT THOST	3.00%	J. 00 /0	04.50 /8
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OTIE.	The information of	n the attached schedule is furnished	for mour constan	niance and Marrian	<u> </u>
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10576

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

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

~ O

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

OC Staff Specialist

FD/sl

cc: Aztec OCD Office

Fleure Davidsen

BLM Farmington Office



OFFICE OF THE

Commissioner of Public Lands

Santa Fe

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

#10576

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

cc: Reader File

OCD TRD BLM

OPERATOR: MERRION OIL & GAS COPORATION

COUNTY: SANDOVAL

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

0CD: 11/4/92 CASE NO. 10576 ORDER NO. R-9757

NOVEMBER 4, 1992

CPL: 11/9/92

BLM: 10/6/92

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

UNIT AREA:

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

JOWNSHIP 19 NORTH, RANGE 3 WEST, NMPM Sections 9 through 11: All

Sections 14 through 17: All

Sections 20 through 22: All Sections 27 through 29: All

Sections 32 and 33: All

With the exception of the Entrada formation underlying

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

Section 14: S/2 NW/4 and SW/4

Section 22: Section 15: S/2 NE/4 and SE/4 N/2 NE/4 NE/4

Unit Map
Attached hereto and made part of that certain Unit Agreement dated October 1, 1992

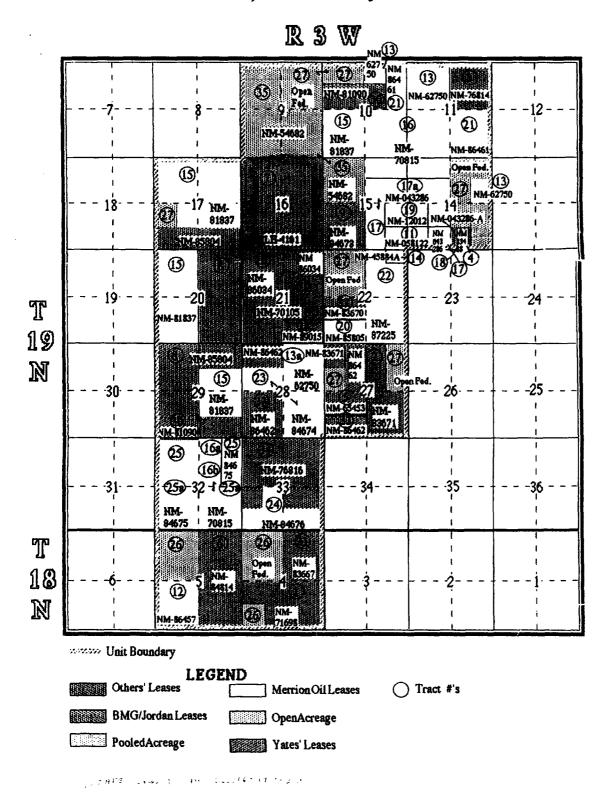


Exhibit "B"

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

act: Description of	Ilmit	Tanca No	Racio	Incon	Total Ovarriding	Walling
No. Lands	Acreage	& Exp. Date	Royalty	of Record	Royalty %	Interest %
T18N-R3W-SI	280.00	NM-71698	12.50%	AXEM ENERGY	NIC NONE	100.00%
N/2 SW/4, SE/4 SW/4		06-01-93				
					1 1	
2 T19N-R3W - SEC. 27: NW/4	280.00	NM-83671	12.50%	ESTATE OF	NONE	100.00%
NW/4, SE/4, W/2 NE/4		03-01-00		R. CHORNEY		,
T19N-R3W-SEC. 11: NE/4	160.00	NM-76814	12.50%	G-WILLIAMS	MONE つりが	100.00%
		10-01-93				
4 T19N-R3W-SEC. 14: SW/4 SE/4	40.00	NM-83488	12.050%	G-WILLIAMS	~1~ 0.50%	100.00%
		04-01-95				
5 TION BAW SEC 27, NO SWILL	88	NN 65452	12 50%	C CBVNDEBC	msc 2	10000
		02-01-95			- 1	
	4 5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				. 1	
6 T18N-R3W - SEC. 5: LOTS 1-2,	306.04	NM-84814	12.50%	JORDAN OIL	400°C 3.50%	25.00%
S/2 NE/4, SE/4		09-01-95		BMG DRLG.	4/17/1/	75.00%
_				•	i	
/ 119N-K3W - SEC. 16: ALL (.>	640.00	LH-4161	12.50%	JORDAN OIL	NONE NONE	100.00%
		00-10-00	***************************************			
8 T19N-R3W	880.00	NM-85804	12.50%	JORDAN OIL	Mala 7 3.50%	25.00%
SEC. 17: S/2 S/2		12-01-95		BMG DRILG.	4112/42	75.00%
SEC. 20: E/2						
SEC. 29: NW/4, N/2 NE/4,						
N/2 SW/4, S/2 SE/4						
					•	
9 T19N-R3W - SEC. 15: SW/4	160.00	NM-84673	12.50%	JORDAN OIL	વાયમ 3.50%	25.00%
		06-01-95		BMG DRLG.	aliaka-	75.00%
10 T19N-R3W	200.00	NM-86034	12.50%	•	यीऽ।यभ 7.50%	25.00%
		11-01-96		BMG DRI G		75.00%

Page 1 of 5

	SW/4, SEC. 15: NE/4 SE/4	19 T19N-R3W-SEC. 14: NW/4 80.00 N	SW/4	18 T19N-R3W - SEC. 14: NE/4 40.00 NM-	31.C. 13. 3/2 M.J.4		, 25 SEC 17: SD NM/V 160.00	W-SEC. 14: SE/4SW/4, 120.00 W/2 SF/4	7	SEC 32: SE/4 SW/4 NE/4	16a SEC. 32: NW/4 NE/4 40.00			16 T19N-R3W - SEC. 10: SE/4, 480.00 N	S/2 NE/4, N/2 SE/4	SW/4, SEC. 20: W/2, SEC. 29:		1080.00	NE/4	-R3W-SEC. 22: N/2 NE/4 20.00	13a SEC. 28: NE/4 160.00	<u></u>	NE/4, SEC. 11: NW/4, SEC. 14: 1	240.00	0	12 T18N-R3W - SEC. 5: SW/4 160.00 NI		SW/4, SEC. 15: SE/4 SE/4
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D. SMITH	50.00%	NC	D. SMITH		02-01-98		SEC. 21: W/2 NE/4, SE/4 NE/4,	S
S. SMITH	50.00%	NONE NONE	S. SMITH	12.50%	NM-70105	360.00	T19N-R3W	29 T
D. SMITH	50.00%	NIC	D. SMITH		06-01-97			
S. SMITH	50.00%	N(C NONE	S. SMITH	12.50%	NM-89015	80.00	T19N-R3W - SEC. 21: S/2 SE/4	28 T
							NW/4, E/2 NE/4	7
		***************************************					SEC. 22: NW/4, SEC. 27: SW/4	· ·
							SE/4/ SEC. 17: NW/4 SW/4,	S
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N/A	N/A	ν) OPEN FED.	N/A Sp	N/A	800.00	T19N-R3W-SEC. 9: NE/4,	27 T
							SEC. 5: LOTS 3,4, S/2 NW/4	S
							S/2 NW/4, SW/4 SW/4,	S
N/A	N/A	√\\ N/A	OPEN FED.	N/A	N/A	331.87	T18N-R3W-SEC. 4: LOTS 3,4,	26 T
							NE/4	7
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					06-01-95		SEC. 32: NE/4NE/4, N/2 NW/4	S
MERRION OIL	100.00%	ब । इ.१४८ 5.00%	MERRION OIL	12.50%	NM-84675	120.00	T19N-R3W	25 T
					06-01-95		SEC. 33: S/2 S/2, NE/4 SW/4	S
MERRION OIL	100.00%	111/12.00%	MERRION OIL	12.50%	NM-84676	200.00	T19N-R3W	24 1
	-				06-01-95		SEC. 28: S/2 NW/4, SE/4	S.
MERRION OIL	100.00%	اله (بد 3.00%	MERRION OIL	12.50%	NM-84674	240.00	T19N-R3W	23]
					12-01-96		NE/4, NW/4 NE/4, S/2 NE/4 NE/4	בי
MERRION OIL	100.00%	4(18112-3.00%	MERRION OIL	12.50%	NM-87225	300.00	T19N-R3W-SEC. 22: SE/4, S/2	22 7
					06-01-96		SEC. 11: SE/4	
MERRION OIL	100.00%	4 હિવ મ 3.00%	MERRION OIL	12.50%	NM-86461	240.00	T19N-R3W-SEC. 10: E/2 NE/4	21 7
					12-01-95			
MERRION OIL	100.00%	. *{ \is\4\1-2.00%	MERRION OIL	12.50%	NM-85805	80.00	T19N-R3W-SEC. 22: S/2 SW/4	ļ
Beneficiary	Interest %	Royalty %	of Record	Royalty	& Exp. Date	Acreage	Lands	Š
•	Working	Total Overriding	Lessee	Basic	Lease No.	Unit	Description of	Tract

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		SEC. 15: NW/4	T19N-R3W-SEC. 9: S/2, NW/4,		() () () () () () () () () ()	119N-K3W - SEC. 33: N/2, N/2	C 117	SW/4, SEC. Z/: E/Z NW/4, S/Z					119N-R3W - SEC. 22: N/2 SW/4		3/2/\2/4	T18N-R3W - SEC. 4: LOTS 1,2,		SEC. 29: S/2 SW/4	SEC. 10: S/2 NW/4, SW/4 NE/4	T19N-R3W	↓
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••••	SUBTL:	04-01-93	NM-54682		07-01-22	NM-76816		96-110-90	NM-86462				NM-83670		00-10-00	NM-83667			04-01-94	NM-81090	& Exp. Date
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Exhibit "B" RECAPITULATION as of 8/27/92

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OFFICE OF THE

Commissioner of Public Cands

JIM BACA COMMISSIONER October 27, 1992

Santa Fe

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

FLOYD O. PRANDO, Director

Oil/Gas and Minerals Division

(505) 827-5744 JB/FOP/pm

cc: BLM-Farmington OCD-Santa Fe

Reader File



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: I loupl to the

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

JB/FOP/pm

cc: Reader File



OFFICE OF THE

Commissioner of Public Lands

Santa Ne

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.
- 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

FLOYD O. PRANDO, Director

Oil/Gas and Minerals Division

(505) 827-5744

JB/FOP/pm

encls.

cc: Reader File

BLM - Farmington

OCD-Santa Fe