

NMOCD Examiner Hearing August 21, 2008							
Docket # 28-08							
Case # 14162							
Exhibit 8							
Lease Ownership Summary - Unleased Minerals, Uncommitted Working Interest Owners, Committed Working Interest Owners							
W/2 Section 9, T29N-R13W	Mineral			Gross	Net	Participation	Working
Interest Owner	Interest	Lease WI	Lease RI	Acres	Acres	Factor	Interest
1 Bonnie Frazer Trust	1	1.00000	1.00000	5	5	1.56250%	1.56250%
2 E.O. & June Johnston	1	1.00000	1.00000	20	20	6.25000%	6.25000%
3 Newnan Petty	1	1.00000	1.00000	20	20	6.25000%	6.25000%
4 Darrell Ponthieux	1	1.00000	1.00000	0.1388	0.1388	0.043338%	0.043338%
5 Colter & Stacie Hamblin	1	1.00000	1.00000	0.1708	0.1708	0.053338%	0.053338%
6 Paul Abbott	1	1.00000	1.00000	0.1783	0.1783	0.05572%	0.05572%
7 Cameron & Candace Garrett	1	1.00000	1.00000	0.1345	0.1345	0.04203%	0.04203%
8 Rita Garrett	1	1.00000	1.00000	0.126	0.126	0.039338%	0.039338%
9 Cameron & Candace Garrett	1	1.00000	1.00000	0.1716	0.1716	0.05363%	0.05363%
10 Carl E & Cora Hopkins	1	1.00000	1.00000	0.1636	0.1636	0.05113%	0.05113%
11 David & Sue Brackman	1	1.00000	1.00000	0.1298	0.1298	0.04056%	0.04056%
12 David & Sue Brackman	1	1.00000	1.00000	0.3186	0.3186	0.09956%	0.09956%
13 Louis C & Jennie Haynie	1	1.00000	1.00000	0.1763	0.1763	0.05509%	0.05509%
14 Louis C & Jennie Haynie	1	1.00000	1.00000	0.1515	0.1515	0.04734%	0.04734%
15 Louis C & Jennie Haynie	1	1.00000	1.00000	0.3298	0.3298	0.10306%	0.10306%
16 Billy Lock	1	1.00000	1.00000	0.3656	0.3656	0.11425%	0.11425%
17 Nancy J Jenkins Trust	1	1.00000	1.00000	0.318	0.318	0.099338%	0.099338%
18 Manuel Hastings Trustee ATTN: Mitzi Thomas	1	1.00000	1.00000	0.295	0.295	0.09219%	0.09219%
19 Mitchell & Theresa Thomas	1	1.00000	1.00000	0.278	0.278	0.08688%	0.08688%
20 Janice C Beatty	1	1.00000	1.00000	0.2066	0.2066	0.06456%	0.06456%
21 Kenneth King	1	1.00000	1.00000	0.15	0.15	0.04688%	0.04688%
22 Paul & Sylvia Pacheco	1	1.00000	1.00000	0.2149	0.2149	0.06716%	0.06716%
23 Kent James	1	1.00000	1.00000	0.3091	0.3091	0.09659%	0.09659%
24 Sarah Faye Roberts	1	1.00000	1.00000	0.52	0.52	0.16250%	0.16250%
25 Manuel Hastings Trustee ATTN: Mitzi Thomas	1	1.00000	1.00000	0.6281	0.6281	0.19628%	0.19628%

	Interest Owner	Mineral Interest	Lease WI	Lease RI	Gross Acres	Net Acres	Participation Factor	Working Interest
26	Bobby Ray & Donna D James	1	1.00000	1.00000	0.2349	0.2349	0.07341%	0.07341%
27	Bobby Ray & Donna D James	1	1.00000	1.00000	0.1082	0.1082	0.03381%	0.03381%
28	Bobby Ray & Donna D James	1	1.00000	1.00000	0.144	0.144	0.04500%	0.04500%
29	Sharon Kathleen Curtin	1	1.00000	1.00000	0.148	0.148	0.04625%	0.04625%
30	Sharon Kathleen Curtin	1	1.00000	1.00000	0.148	0.148	0.04625%	0.04625%
31	Sharon Kathleen Curtin	1	1.00000	1.00000	0.1429	0.1429	0.04466%	0.04466%
32	Patricia Stuart	1	1.00000	1.00000	1.274	1.274	0.39813%	0.39813%
33	James Mega	1	1.00000	1.00000	0.2009	0.2009	0.06278%	0.06278%
34	Gregory Mark James	1	1.00000	1.00000	0.1377	0.1377	0.04303%	0.04303%
35	Danny & Sherrie Carrell	1	1.00000	1.00000	0.4245	0.4245	0.13266%	0.13266%
36	Francis & Jeannette McGough	1	1.00000	1.00000	0.4823	0.4823	0.15072%	0.15072%
37	John Gladden & Trent Garrett	1	1.00000	1.00000	0.1686	0.1686	0.05269%	0.05269%
38	Kathalyn O. Merion	1	1.00000	1.00000	0.2193	0.2193	0.06853%	0.06853%
39	Roberta De Field	1	1.00000	1.00000	0.1627	0.1627	0.05084%	0.05084%
40	Les a S. Chr st an	1	1.00000	1.00000	0.1708	0.1708	0.05338%	0.05338%
41	Boyce & Cheryl Perry	1	1.00000	1.00000	0.2418	0.2418	0.07556%	0.07556%
42	Francis & Jeannette McGough	1	1.00000	1.00000	0.3223	0.3223	0.10072%	0.10072%
43	Rojax Properties LLC	1	1.00000	1.00000	0.1752	0.1752	0.05475%	0.05475%
44	Kenneth & Bobbi Newland	1	1.00000	1.00000	0.185	0.185	0.05781%	0.05781%
45	Hadden S. Wilson	1	1.00000	1.00000	2.94	2.94	0.91875%	0.91875%
46	Sarah Westmoreland	1	1.00000	1.00000	0.4	0.4	0.12500%	0.12500%
47	W. Blain Crezee	1	1.00000	1.00000	1.19	1.19	0.37188%	0.37188%
48	W. Blain Crezee	1	1.00000	1.00000	0.36	0.36	0.11250%	0.11250%
49	Barbara Tedrow	1	1.00000	1.00000	0.2	0.2	0.06250%	0.06250%
50	Davy & Ragsdale ATTN: Barbara Tedrow	1	1.00000	1.00000	0.36	0.36	0.11250%	0.11250%
51	Barbara L Tedrow	1	1.00000	1.00000	0.1616	0.1616	0.05050%	0.05050%
52	Cutis & Karla McCurry	1	1.00000	1.00000	0.2847	0.2847	0.08897%	0.08897%
53	NM State Police ATTN: Property Control	1	1.00000	1.00000	2.11	2.11	0.65938%	0.65938%
54	NM State of Adjutant General	1	1.00000	1.00000	0.66	0.66	0.20625%	0.20625%
55	Iris Ray	1	1.00000	1.00000	2.481	2.481	0.77531%	0.77531%
56	A.S. Brack	1	1.00000	1.00000	2.481	2.481	0.77531%	0.77531%

	Mineral			Gross	Net	Participation	Working
Interest Owner	Interest	Lease WI	Lease RI	Acres	Acres	Factor	Interest
57 Sri S. Cram	1	1.00000	1.00000	0.98	0.98	0.30625%	0.30625%
58 John & Joan Ashback	1	1.00000	1.00000	0.6155	0.6155	0.19234%	0.19234%
59 San Juan County	1	1.00000	1.00000	1.3	1.3	0.40625%	0.40625%
60 El Paso Natural Gas Co	1	1.00000	1.00000	1.949	1.949	0.60906%	0.60906%
61 Ricky Imel	1	1.00000	1.00000	1	1	0.31250%	0.31250%
63 Sibquad	1	1.00000	1.00000	5.85	5.85	1.82813%	1.82813%
64 James Phillip Collard	1	1.00000	1.00000	1.3095	1.3095	0.40922%	0.40922%
65 Merrill Taylor	1	1.00000	1.00000	6.88	6.88	2.15000%	2.15000%
66 James Valdez	1	1.00000	1.00000	0.36	0.36	0.11250%	0.11250%
67 Merion Oil & Gas	1	1.00000	1.00000	1.52	1.52	0.47500%	0.47500%
68 Tammy Garlington	1	1.00000	1.00000	0.1601	0.1601	0.05003%	0.05003%
69 Timothy Tillerson	1	1.00000	1.00000	0.1601	0.1601	0.05003%	0.05003%
70 Sharon Simons	1	1.00000	1.00000	0.1601	0.1601	0.05003%	0.05003%
71 Robert & Karen Smith	1	1.00000	1.00000	0.2189	0.2189	0.06841%	0.06841%
72 Roger Allen	1	1.00000	1.00000	0.2301	0.2301	0.07191%	0.07191%
73 Wade Duncan	1	1.00000	1.00000	0.1932	0.1932	0.06038%	0.06038%
74 Jewel S. & Leona McGee	1	1.00000	1.00000	3.57	3.57	1.11563%	1.11563%
75 El Paso Natural Gas	1	1.00000	1.00000	8.627	8.627	2.69594%	2.69594%
76 Keith Barbeau	1	1.00000	1.00000	0.97	0.97	0.30313%	0.30313%
77 Rosemary Trujillo	1	1.00000	1.00000	0.85	0.85	0.26563%	0.26563%
78 Harold McFarling	1	1.00000	1.00000	0.49	0.49	0.15313%	0.15313%
79 Kent James	1	1.00000	1.00000	0.8	0.8	0.25000%	0.25000%
80 Steve & Susan Nelson	1	1.00000	1.00000	0.693	0.693	0.21656%	0.21656%
71 Presbyterian Medical Services	1	1.00000	1.00000	1.4118	1.4118	0.44119%	0.44119%
82 BBR LLC	1	1.00000	1.00000	0.2601	0.2601	0.08128%	0.08128%
83 Michael Rose	1	1.00000	1.00000	0.1419	0.1419	0.04434%	0.04434%
84 Wayne Dale	1	1.00000	1.00000	0.3802	0.3802	0.11881%	0.11881%
85 Ruby H Brown Trust	1	1.00000	1.00000	0.0997	0.0997	0.03116%	0.03116%
86 Ruby H Brown Trust	1	1.00000	1.00000	0.2262	0.2262	0.07069%	0.07069%
87 Freddie Hudgins	1	1.00000	1.00000	0.2262	0.2262	0.07069%	0.07069%
88 Child Haven Inc	1	1.00000	1.00000	0.2262	0.2262	0.07069%	0.07069%

	Mineral			Gross Acres	Net Acres	Participation Factor	Working Interest
Interest Owner	Interest	Lease WI	Lease RI	Acres	Acres	Factor	Interest
89 Monica Magahiro	1	1.00000	1.00000	0.2262	0.2262	0.07069%	0.07069%
90 B & M Investments C/O Ruby James	1	1.00000	1.00000	0.1601	0.1601	0.05003%	0.05003%
91 Anita Johnson	1	1.00000	1.00000	0.1601	0.1601	0.05003%	0.05003%
92 Rowena Anderson C/O Frank Hoover	1	1.00000	1.00000	0.1601	0.1601	0.05003%	0.05003%
93 Jeri Herrera	1	1.00000	1.00000	0.1601	0.1601	0.05003%	0.05003%
94 Kaime Revocable Trust	1	1.00000	1.00000	0.3201	0.3201	0.10003%	0.10003%
95 Jesus Mendoza	1	1.00000	1.00000	0.2744	0.2744	0.08575%	0.08575%
96 LCJ LLC	1	1.00000	1.00000	0.97	0.97	0.30313%	0.30313%
97 NM State of Adjutant General	1	1.00000	1.00000	1.38	1.38	0.43125%	0.43125%
98 Derick & Maryanne McGaha	1	1.00000	1.00000	0.932	0.932	0.29125%	0.29125%
99 Ricky Imel C/O Frank & Delores Theodosia	1	1.00000	1.00000	0.2189	0.2189	0.06841%	0.06841%
Total Uncommitted Minerals				116.0151			36.25472%
Uncommitted Leasehold Operating Rights Interest							
Richardson Operating Company				15.0989	15.0989		4.71841%
Total Uncommitted Leasehold Operating Rights Interest				15.0989	15.0989		4.71841%
Committed Leasehold Operating Rights Interest							
XTO Energy				41.217	41.217		12.88031%
Merrion Oil & Gas				140.3538	140.3538		43.86056%
Jay Steigelman				6.06	6.06		1.89375%
Specialty Lending Group LLC				0.1752	0.1752		0.05475%
Juraj Lucas-Klepac				1.08	1.08		0.33750%
Total Committed Leasehold Operating Rights Interest				188.886	188.886		59.02688%
Total for Case # 14162				320.00			100.0000%



June 24, 2008

CERTIFIED RETURN RECEIPT REQUESTED

**RE: PROPOSAL TO DRILL – GLADE PARK #1 AND #2
W/2 SECTION 9, T29N, R13W
SAN JUAN COUNTY, NEW MEXICO**

To Unleased Mineral Owners:

Merrion Oil & Gas (Merrion) is proposing to drill two Fruitland Coal wells in the west half of Section 9, T29N, R13W. Our title review indicates that you own mineral rights on this land as summarized in Attachment 1. You have a number of choices as to what you would like to do with the interest. Your options are listed below:

1. **Your first option is to participate in the wells, where you would pay your proportionate share of the drilling, completion, and ongoing operating costs and would receive your proportional share of the production.** The Fruitland Coal formation is spaced on 320 acre spacing, which in this case, will be the W/2 of Section 9. All the mineral owners in the W/2 of 9 will share in the wells on a proportional basis. Therefore, if you own 1 acre of minerals, you would “own” 1/320th of the well (or 0.313%). The attached AFE provides an estimate of the drilling and completion costs, but actual costs may vary significantly from the AFE.
2. **Your second option would be to lease to Merrion Oil & Gas. Merrion would pay you \$250 per net acre and you would retain a 15% royalty interest.** Therefore, if you own 1 acre of minerals, you would receive an upfront check for \$250 and a royalty interest of 0.047% (1/320 times 15%) in each well. You would have no obligation to pay ANY costs associated with drilling, producing, or plugging the wells. **NOTE: The lease calls for no well to be drilled on your surface without your expressed written permission and the negotiation of a mutually acceptable surface use agreement.**
3. **Your third option is to sell your mineral interests to Merrion for \$1500 per net acre.** This represents a significant premium to you to help reduce our administrative burden.
4. **If you do not choose one of the above options, your interest will be subject to the terms and provisions of any force-pooling order that may be issued by the NMOCD.** The rules of the State provide for the “force pooling” of non-committed interests so that one or more owners within a spacing unit are not able to deny the right of other owners to drill and access their minerals. Merrion will be starting the force pooling process parallel with our efforts to sign individuals up for one of the above three options. A hearing has been requested before the New Mexico Oil Conservation Division (NMOCD) on August 7, 2008 as part of the process. If your interest is force-pooled, you would receive a 12.5% royalty proportionally reduced to your mineral acreage on revenue. The force-pool order would also provide that Merrion would pay all up-front costs and would

receive the balance of your proportional share of the operating profit on each well until Merrion recovered the costs plus a penalty assessed for the risk assumed by Merrion on your behalf. At that point, you would own a 100% working interest proportionally reduced to your acreage, and would pay your full share of all operating costs and receive your full share of all revenue.

Attachment 4 is a copy of Merrion's application for force pooling on these two wells. Merrion has requested an August 7 hearing date to give all parties adequate time to review the options and make an informed decision. If you choose not to elect one of the first three options above and you oppose Merrion's application, then you may choose to participate in the hearing process by notifying the NMOCD in writing of your desire to participate prior to the hearing, by filing a pre-hearing statement with the NMOCD in accordance with its rules, and by attending the hearing. The mailing address for the NMOCD and the location of the hearing is 1220 S. St. Francis Dr., Santa Fe, NM 87505.

Please indicate on the attached Option Summary which of the first three options you choose and follow the directions for that option. Again, a non-response will ultimately go through the force pooling process.

If you have any specific questions as to your mineral interest or your options, please give me a call and I will do my best to give you answers.

Sincerely,

Briana Campbell
Land Analyst
505-324-5325
bcampbell@merrion.bz

Summary of Options Glade Park 1 & 2 Drilling Proposal

1. Participate as working interest owner in drilling of wells

- Please note option 1 below and return this form
- Please sign and return a copy of the attached Authorization For Expenditures
- Please sign and return a copy of the Operating Agreement (OA) signature page. Note that the entire proposed OA can be reviewed on line at <ftp://merrion.bz/GladePark/OA.PDF>
- If you do not have on line access and would like to get a copy of the OA, please contact Briana Campbell at 505-324-5325.

2. Lease to Merrion Oil & Gas

- Please note option 2 below and return this form
- Merrion will send you a lease to execute (lease form can be viewed at <ftp://merrion.bz/GladePark/LSE.PDF>)
- Upon receipt of executed lease, Merrion will pay you your bonus check

3. Sell Minerals to Merrion Oil & Gas

- Please note option 3 below
- Merrion will send you a Deed to execute (form of Deed can be viewed at <ftp://merrion.bz/GladePark/MD.PDF>)
- Upon receipt of executed Deed, Merrion will pay you your purchase check

4. Allow Minerals to be Force Pooled

- A hearing has been requested for August 7, 2008 before the NMOCD
- If you object to the force pooling or would like to participate in the hearing, please contact the NMOCD at 1220 S. St. Francis Dr., Santa Fe, NM 87505 at least 20 days prior to the hearing. You will be required to file a prehearing statement in accordance with the rules of the NMOCD.
- The Operating Agreement that will be presented to the NMOCD to govern operations of the well, both before and after payout, can be viewed on line at <ftp://merrion.bz/GladePark/OA.PDF>. If you do not have on line access and would like to get a copy of the OA, please contact Briana Campbell.

OPTION CHOSEN _____ Date: _____
Name: _____ Spouse: _____
Signature: _____ Spouse: _____
Address: _____
Phone: _____ Email: _____

Please sign and return this page along with the documents listed above to Briana Campbell,
Merrion Oil & Gas, 610 Reilly Ave., Farmington, NM 87401

List of Attachments

1. Unleased mineral owners, address, and mineral acres owned.
2. Authorization for Expenditures (AFE)
3. Operating Agreement Signature Pages
4. Application to NMOCD for Force Pooling



NMOCD Examiner Hearing August 21, 2008
Docket # 28-08
Case # 14162
Exhibit # 9
Notification & Correspondence with
Unleased Mineral Owners

June 24, 2008

CERTIFIED RETURN RECEIPT REQUESTED

**RE: NOTIFICATION OF REVISED HEARING DATE
COMPULSORY POOLING – GLADE PARK #1 AND #2
W/2 SECTION 9, T29N, R13W
SAN JUAN COUNTY, NEW MEXICO**

To Uncommitted Working Interest Owners:

Merrion Oil & Gas sent you a letter dated June 18, 2008 proposing to drill the subject wells. In the letter we noted that we had requested that the NMOCD set the matter of compulsory pooling of these wells on the August 14, 2008 docket. Unfortunately, the NMOCD does not have a hearing on that date. Therefore, Merrion has requested that the matter be moved to the August 7, 2008 docket. Attached is that letter for your review. Sorry for the confusion.

Again, we hope you will choose one of the other options presented in our letter. We look forward to hearing from you in that regard.

Sincerely,

Briana Campbell
Land Analyst
505-324-5325
bcampbell@merrion.bz