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June 18, 2008

Ms. Florene Davidson
NMOCD
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

CERTIFIED RETURN RECEIPT

**RE: Application for Compulsory Pooling
Glade Park #1 & 2 Wells
Basin Fruitland Coal Pool
W/2 Section 9, T29N R13W
San Juan County, New Mexico**

Dear Ms Davidson:

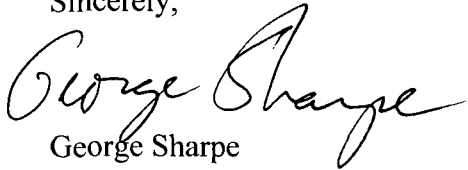
Merrion Oil & Gas plans to drill the Glade Park #1 and #2 wells to develop the Fruitland Coal in the W/2 of Section 9, T29N, R13W within the city limits of Farmington. Because we are within the city limits, the spacing unit is made up of many dozens of fee tracts. We are in the process of trying to obtain leases on all the tracts but anticipate that we will not be totally successful. In addition, not all of the working interest owners have committed to drilling the wells. Therefore, Merrion requests your approval for compulsory pooling of these interests for the drilling of the wells. **We request that this matter be set for hearing on your August 14, 2008 docket**, which will give Merrion additional time to negotiate with the mineral and leasehold owners and provide them adequate opportunity to decide whether to lease and/or participate.

Merrion requests that the compulsory pooling be subject to the following terms and conditions:

1. Merrion be named as operator.
2. Provisions be included for applicant and all working interest owners to participate in the costs of drilling, completing, equipping, and operating the wells.
3. In the event a mineral owner or working interest owner fails to elect to participate in the wells, then provisions be included to recoup out of production, the costs of drilling, completing, equipping, and operating the wells, including a risk factor penalty of 200%.
4. Provisions for overhead rates per month drilling and per month operating and a provision providing for a method of adjusting the overhead rates as provided by COPAS.
5. For such other and further relief as may be proper.

Attached is a list of all unleased mineral owners and uncommitted working interest owners who received copies of this application through certified mail. Tommy Roberts, our attorney, will be preparing a prehearing statement and will represent Merrion Oil & Gas at the hearing. Please let me know if you have any questions or issues with our application.

Sincerely,

A handwritten signature in cursive script that reads "George Sharpe".

George Sharpe
Manager, Oil & Gas Investments
505-324-5314
gsharpe@merrion.bz

cc Aztec NMOCD
Tommy Roberts

Owne	Acres	Address	City	State	Zip
Bonnie Frazer Trust	5	900 Schofeild Lane	Farmington	NM	87401
Roberts Frank Brothers	17.5	717 W 31st Street	Farmington	NM	87401
E.O. & June Johnston	20	2303 N Tucker Ave	Farmington	NM	87401
Newman Petty	20	3609 N Melrose Dr	Farmington	NM	87401
Darrell Ponthieux	0.1388	710 W Boyd Dr	Farmington	NM	87401
Colter & Stacie Hamblin	0.1708	708 W Boyd Dr	Farmington	NM	87401
Paul Abbott	0.1783	706 W Boyd Dr	Farmington	NM	87401
Cameron & Candace Garrett	0.1345	707 W Boyd Dr	Farmington	NM	87401
Rita Garrett	0.126	821 Shady Lane	Farmington	NM	87401
Cameron & Candace Garrett	0.1716	707 W Boyd Dr	Farmington	NM	87401
Carl E & Cora Hopkins	0.1636	710 Ashurst Dr	Farmington	NM	87401
David & Sue Brackman	0.1298	704 Ashurst Dr	Farmington	NM	87401
David & Sue Brackman	0.3186	704 Ashurst Dr	Farmington	NM	87401
Louis C & Jennie Haynie	0.1763	709 Ashurst Dr	Farmington	NM	87401
Louis C & Jennie Haynie	0.1515	709 Ashurst Dr	Farmington	NM	87401
Louis C & Jennie Haynie	0.3298	709 Ashurst Dr	Farmington	NM	87401
Billy Lock	0.3656	110 E. La Plata	Farmington	NM	87401
Nancy J Jenkins Trust	0.318	707 W Gladden Dr	Farmington	NM	87401
Manuel Hastings Trustee ATTN:					
Mitzi Thomas	0.295	PO BOX 50306	Midland	TX	79710
Mitchell & Theresa Thomas	0.278	1402 1/2 Mossey Cup Dr	Farmington	NM	87401
Janice C Beatty	0.2066	1306 Mossey Cup Dr	Farmington	NM	87401
Kenneth King	0.15	700 Ashurst Dr	Farmington	NM	87401
Paul & Sylvia Pacheco	0.2149	1218 Mossey Cup Dr	Farmington	NM	87401
Alice B Nuno	0.2038	PO BOX 676	Chama	NM	87520
Manuel Hastings Trustee ATTN:					
Mitzi Thomas	0.6281	PO BOX 50306	Midland	TX	79710
Bobby Ray & Donna D James	0.2349	621 Linden D	Farmington	NM	87401
Bobby Ray & Donna D James	0.1082	621 Linden Dr	Farmington	NM	87401
Bobby Ray & Donna D James	0.144	621 Linden Dr	Farmington	NM	87401
Sharon Kathleen Curtin	0.148	620 Ashurst Dr	Farmington	NM	87401
Sharon Kathleen Curtin	0.148	620 Ashurst Dr	Farmington	NM	87401
Sharon Kathleen Curtin	0.1429	620 Ashurst Dr	Farmington	NM	87401
Patricia Stuart	1.274	621 Ashurst Dr	Farmington	NM	87401
James Mega	0.2009	604 Linden Dr	Farmington	NM	87401
Aaron James	0.1377	608 Linden Dr	Farmington	NM	87401
Gregory Mark James	0.1377	608 Linden Dr	Farmington	NM	87401
Aaron James	0.1377	608 Linden Dr	Farmington	NM	87401
Danny & Sherrie Carrell	0.4245	600 Linden Dr	Farmington	NM	87401
Francis & Jeannette McGough	0.4823	1401 St. James PL	Farmington	NM	87401
John Gladden & Trent Garrett	0.1686	618 Ashurst Dr	Farmington	NM	87401
Kathalyn O. Merrion	0.2193	616 Ashurst Dr	Farmington	NM	87401
Roberta De Field	0.1627	156 Road 3950	Farmington	NM	87401
Lesa S. Christian	0.1708	613 Ashurst Dr	Farmington	NM	87401
Barbara N. Gille	0.1928	607 Ashurst Dr.	Farmington	NM	87401
Barbara N. Gille	0.1928	607 Ashurst Dr.	Farmington	NM	87401
Boyce & Cheryl Perry	0.2418	605 Ashurst Dr	Farmington	NM	87401
Francis & Jeannette McGough	0.3223	1401 St. James Place	Farmington	NM	87401
George Alton James	0.3275	1324 St. James Place	Farmington	NM	87401
Rojax Properties LLC	0.1752	2810 E. 20th St	Farmington	NM	87401

Kenneth & Bobbi Newland	0.185 602 Ashurst Dr	Farmington	NM	87401
George & Myrtle James Trust	0.17 1324 St. James Place	Farmington	NM	87401
George & Myrtle James Trust	0.1653 1324 St. James Place	Farmington	NM	87401
George & Myrtle James Trust	0.219 1324 St. James Place	Farmington	NM	87401
Kent James	0.3091 2158 Main St Ste. 109	Wailuku Maui	HI	96793
Timothy A. McThias	0.2109 1318 St. James Place	Farmington	NM	87401
Rodney & Sharon Zubrod	0.8006 606 Glade Rd	Farmington	NM	87401
Kent James	0.8 2158 Main St Ste. 109	Wailuku Maui	HI	96793
Wellesly Hodgins Trustees	2.55 PO BOX 1604	Farmington	NM	87499
W. Blain Crezee	1.19 601 Glade Rd	Farmington	NM	87401
W. Blain Crezee	0.36 601 Glade Rd	Farmington	NM	87401
Barbara Tedrow	0.2 1117 A N. Auburn	Farmington	NM	87401
Davy & Ragsdale	ATTN:			
Barbara Tedrow	0.36 1115 N. Auburn Ave	Farmington	NM	87401
Barbara L Tedrow	0.1616 3101 McColm Dr.	Farmington	NM	87402
Wellesly Hodgins Trustees	1.49 601 Ashurst Dr	Farmington	NM	87401
Cutis & Karla McCurry	0.2847 1402 Mossey Cup Dr	Farmington	NM	87401
Carl & Dorothy James	0.1621 608 Linden Dr	Farmington	NM	87401
NM State Police				
ATTN: Property Control	2.11 1100 St. Francis Dr Montoya BLDG	Santa Fe	NM	87506
NM State of Adjutant General	0.66 1100 St. Francis Dr Montoya BLDG	Santa Fe	NM	87503
Iris Ray	2.481 PO Box 476	Kirtland	NM	87417
A.S. Brack	2.481 1600 Cliffside Dr	Farmington	NM	87401
Sri S. Cram	0.98 512 West Navajo	Farmington	NM	87401
John & Joan Ashback	0.6155 PO Box 2315	Farmington	NM	87499
San Juan County	1.3 100 S. Oliver Dr	Aztec	NM	87410
El Paso Natural Gas Co	1.949 PO Box 1087	Colorado Springs	CO	80944
Ricky Imel	1 628 E Mesquite St.	Gilbert	AZ	85296
Hadden S. Wilson	2.94 PO Box 6793	Farmington	NM	87499
Sibquad	5.85 302 E. Main	Farmington	NM	87401
James Phillip Collard	1.3095 901 N Auburn	Farmington	NM	87401
Merrill Taylor	6.88 311 Taylor Drive	Farmington	NM	87401
James Valdez	0.36 200 W. 20th	Farmington	NM	87401
Merrion Oil & Gas	1.52 610 Reilly Ave	Farmington	NM	87401
Steve & Susan Nelson	0.693 4901 Crestwood Dr.	Farmington	NM	87401
Presbyterian Medical Services	1.4118 PO Box 2267	Santa Fe	NM	87504
BBR LLC	0.2601 PO Box 2019	Farmington	NM	87499
Arlington Kennedy	0.1419 3087 W. Calle Levante	Farmington	NM	85746
Thomas Dinning	0.1419 301 W. Apache	Farmington	NM	87401
Michael Rose	0.1419 509 E. 16th	Farmington	NM	87401
Wayne Dale	0.3802 1054 Road 215	Durango	CO	81301
George Christopoulos	0.1997 1048 Crestview Circle	Farmington	NM	87401
Ruby H Brown Trust	0.0997 1805 Laguna	Farmington	NM	87499
Ruby H Brown Trust	0.2262 1805 Laguna	Farmington	NM	87499
Freddie Hudgins	0.2262 #2 Road 2853	Aztec	NM	87410
Child Haven Inc	0.2262 807 West Apache	Farmington	NM	87401
Monica Magahiro	0.2262 514 San Juan Place	Farmington	NM	87401
Jun Tsukii	0.1601 5604 Villa View Dr	Farmington	NM	87401
B & M Investments	C/O Ruby			
James	0.1601 511 Glade Place	Farmington	NM	87401

Anita Johnson	0.1601 509 Glade Place	Farmington	NM	87401
Rowena Anderson C/O				
Frank Hoover	0.1601 PO Box 935	Limon	CO	80828
Jeri Herrera	0.1601 505 Glade Place	Farmington	NM	87401
Kaime Revocable Trust	0.3201 5007 Mead Lane	Farmington	NM	87401
Jesus Mendoza	0.2744 500 Glade Place	Farmington	NM	87401
Tammy Garlington	0.1601 PO Box 5525	Farmington	NM	87499
Timothy Tillerson	0.1601 5802 Chaparral Circle	Farmington	NM	87402
Sharon Simons	0.1601 210 W 38th Street	Farmington	NM	87401
Peter Emery	0.1601 649 W. Douglas	Farmington	NM	87401
Aref Kabbara	0.4718 810 W. Apache	Farmington	NM	87401
Sarah Faye Roberts	0.52 9704 Wayne Ave	Lubbock	TX	79424
Sarah Westmoreland	0.4 9704 Wayne Ave	Lubbock	TX	79424
LCJ LLC	0.97 1500 W. Barrett	Meridian	ID	83642
Keith Barbeau	1.39 6020 San Marcos	Farmington	NM	87402
NM State of Adjutant General	1.38 1100 St. Francis Dr Montoya BLDG	Santa Fe	NM	87503
Rosemary Trujillo	0.85 1607 N. Mesa Verde	Farmington	NM	87401
Jay Steigelman	6.06 1700 San Juan BLVD	Farmington	NM	87401
Derick & Maryanne McGaha	0.932 605 N Auburn	Farmington	NM	87401
Juraj Lucas-Klepac	1.08 PO Box 1289	Farmington	NM	87401
Jewel S. & Leona McGee	3.57 634 W. Apache	Farmington	NM	87401
Board of Education Farmington				
School Distrct 5	9.74 PO Box 5850	Farmington	NM	87499
El Paso Natural Gas	8.627 PO Box 1087	Farmington	NM	80944
Gary Lee Torres	0.1655 5101 Cordoba Way	Farmington	NM	87402
Ricky Imel				
C/O Frank & Delores Theodosia	0.2189 603 Circle Dr.	Farmington	NM	87401
Robert & Karen Smith	0.2193 3107 Marquette Ave.	Farmington	NM	87402
Roger Allen	0.2301 602 Circle Dr.	Farmington	NM	87401
Ira Eugene Snow	0.21 601 Paralee Dr	Farmington	NM	87401
Wade Duncan	0.1932 600 Circle Dr	Farmington	NM	87401
Bill B Bedah	0.2193 605 Circle Dr	Farmington	NM	87401
Alice Torres	0.4018 710 Paralee Dr	Farmington	NM	87401
Harold McFarling	0.49 6410 Putter Place	Farmington	NM	87402
TOTAL UNLEASED	160.05			