NMOCD Examiner Hearing September 16, 2010 Docket 3110 Case 14541 Exhibit 9

#### <u>AFFIDAVIT OF NOTIFICATION</u>

STATE OF NEW MEXICO )
) ss.
COUNTY OF SAN JUAN )

George Sharpe, being first duly sworn, states as follows:

- 1. I am employed as the Manager of Investments at Merrion Oil & Gas Corporation (MOG).
- 2. MOG is the Applicant in New Mexico Oil Conservation Division (NMOCD)
  Case No. 14541
- 3. NMOCD Case No. 14541 an application for compulsory pooling is scheduled to be heard by the NMOCD Hearing Examiner on September 16, 2010.
- 4. By certified return receipt requested letter dated August 10, 2010, a copy of which is attached hereto as Exhibit No. 1, MOG provided to all uncommitted mineral interest owners written notification of the application and hearing in Case No. 14541. By certified return receipt requested letter dated August 10, 2010, a copy of which is attached hereto as Exhibit No. 2, MOG provided to all uncommitted working interest owners written notification of the application and hearing in Case No. 14541. A list of the names of those interest owners, together with their last known mailing address is attached hereto as Exhibit No. 3 and a copy of the return receipt, if applicable, is attached hereto as Exhibit No. 4. A tracking list of the attempts to locate the return to sender is attached hereto as Exhibit No. 5.
- 5. In addition to the certified letter dated August 10, 2010, MOG published notice of the application and hearing in Case No. 14541 in the Farmington Daily Times. A copy of the legal advertisement and a copy of an Affidavit of Publication is attached hereto as Exhibit No. 6.
- 6. MOG conducted a good faith, diligent effort to find the correct addresses for all persons entitled to notice pursuant to the rules of the NMOCD.

- 7. MOG has given notice at the correct address for each person entitled to notice or has notified each such person by publication, all as required by 19.15.14.1210 NMAC.
- 8. Based on the foregoing, MOG has complied with the notice provisions of 19.15.14.120 NMAC.

Dated this 13<sup>th</sup> day of September, 2010

George Sharpe

Subscribed and sworn to before me this 13th day of September, 2010.

10-20-2012

My commission expires:

**Notary Public** 



Affidavit of Notification

Docket 3110

Case 14541

Exhibit 1

August 10, 2010

CERTIFIED RETURN RECEIPT REQUESTED

RE: PROPOSAL TO DRILL – WESTLAND PARK #1 AND #2 N/2 SECTION 18, T29N, R13W SAN JUAN COUNTY, NEW MEXICO

NOTIFICATION OF COMPULSORY POOLING APPLICATION NOTICE OF PLAN TO COMMINGLE

To Unleased Mineral Owners:

Merrion Oil & Gas (Merrion) is proposing to drill a vertical Fruitland Coal / Pictured Cliffs well and a second horizontal Fruitland Coal well in the north half of Section 18, T29N, R13W. You may remember getting a similar letter two years ago. The wells were never drilled, our proposals expired, and so we are repeating the process.

Our title review indicates that you own unleased mineral rights on this land as summarized in Attachment 1. You have a number of choices as to what you may do with the interest. Your options are listed below:

- 1. Option 1 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. Attachment 2 is estimated drilling costs for each well, and Attachment 3 shows an example calculation of how much a 1 acre parcel would own of each well on a proportionately reduced basis, and calculates what the estimated total exposure would be (\$6100 drilling and completion cost) if the owner of that parcel participated in the wells. Participating in the wells is risky, and if you do so, you need to be prepared to lose that much money. However, if the wells are successful, they may provide a decent return on your investment.
- 2. Option 2 lease to Merrion Oil & Gas. Merrion would pay you \$50 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 \$50 and a royalty interest of 15% proportionately reduced to the spacing unit (similar calculation as shown in Attachment 3). 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. We intend to drill these wells on city owned property.
- 3. If you do not choose one of the above options, your interest will be subject to the terms and provisions of any compulsory-pooling order that may be issued by the NMOCD. The rules of the State provide for the "compulsory 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 compulsory

pooling process parallel with our efforts to sign individuals up for one of the above options. A hearing has been requested before the New Mexico Oil Conservation Division (NMOCD) on September 16, 2010 beginning at 8 a.m. as part of the process. If your interest is compulsory-pooled, you would receive a 12.5% royalty proportionally reduced to your mineral acreage on revenue. The compulsory-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 5 is a copy of Merrion's application for compulsory pooling on these two wells. Merrion has requested an September 16<sup>th</sup> 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 two 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.

Merrion also intends to commingle the two formations in the Westland Park 1 well, so that we don't have to drill separate wells for each formation. Attachment 6 is a notice in that regard. As an unleased mineral owner, you have the right to object to the commingling by either notifying me or notifying the NMOCD in Aztec (1000 Rio Brazos Rd, Aztec, NM 87410) within 20 days of receipt of this letter.

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

I know this can be very confusing, and I have done my best to put the options into laymen's terms. However, it is likely I have fallen short. Therefore, 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,

George Sharpe

Investment Manager gsharpe@merrion.bz

505-324-5314

# Summary of Options Westland 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 www.merrion.bz/click on Owner Relations tab, then click on Westland Park tab and download document.
- If you do not have on line access and would like to get a copy of the OA, please contact Martha Goats at 505-324-5317.

#### 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 www.merrion.bz/ click on Owner Relations tab, then click on Westland Park tab and download document)
- Upon receipt of executed lease, Merrion will pay you your bonus check

# 3. Allow Minerals to be Compulsory Pooled (If you do not choose either option above, this will happen automatically)

- A hearing has been requested for September 16, 2010 at 8:00 a.m. before the NMOCD in Santa Fe
- If you object to the compulsory 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. If
  you do not have on line access and would like to get a copy of the OA, please
  contact Martha Goats.

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

Please sign and return this page along with the documents listed above to Martha Goats, 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 (AFEs)
- 3. Example Calculation of Costs to Participate in Drilling
- 4. Operating Agreement Signature Pages
- 5. Application to NMOCD for Compulsory Pooling
- 6. Notice of Intent to Commingle the two wells

N1/2 Section 18, T29N, R13W						
Ban Juan County NM	Address	City	State	Zíp	Acres	% of Qtr
NW1/4 -	<del> </del>		<b>-</b>	<del></del>		<del></del>
	<del> </del>	<b>_</b>	<del></del>	<del> </del>	44 0000	45,51%
Norrion OH & Gas Lessed (TO Energy Lessed	810 Houston Street	Fort Worth	ΤX	78102	41.0252 38.7500	42.98%
TO Energy Loaden	O TO THOUSANT CACCO	- Conventi	<del>'``</del>	70102	00.7000	42.00/6
lumberto Frias	2904 La Puenta St	Farmington	NM	87401	0.2248	0.14%
res Tse Rocks LLC	P O Box 3015	Durango	CO	81302		11.26%
Total Uncommitted Mineral Owners	<del> </del>	<del></del>	<del> </del>	<del> </del>	10.3748	11.51%
Grand Total NW/4		<b>_</b>		ļ	90.1500	1.00
MF414			<del> </del>			
ME1/4 -	<u></u>		<b>_</b>	<b></b>		\
formon Oil & Gas Leased Synergy Leased	P O Box 5513	Farmington	NM	87499	48.0788 9.3400	30.05% 5.84%
(TO Leased	810 Houston Street	Fort Worth	TX	78102		28.63%
	1					
Christine Maestas	2802 La Sale St	Famington	NM	87401	0.2598	0.18%
K Webster Scott & Tammi Silmson	PO Box 5981 2714 La Sale St	Farmington Farmington	NM	87401 87401	0.2410	0.15%
Richard Lanzi	2712 La Salle St	Farmington	NM	87401	0.2410	0.15%
Alfredo & Reyna Martinez	2710 La Salle St	Farmington	NM	87401	0.2410	0.15%
Catherine La Rue	2708 La Salle St	Farmington	NM	87401	0.2410	0.15%
Stave & Wendy Gardenhire Milliam Woodall Jr	2704 La Selle St 2703 La Salle St	Farmington	NM NM	87401 87401	0.3227 0.3316	0.20%
lones Hewey	2705 La Sale St	Farmington Farmington	NM	87401	0.3934	0.21%
Achille Vitali	2708 La Puenta St	Farmington	NM	87401	0.2514	0.16%
Pauline Potter	306 La Belle Ave	Farmington	NM	87401	0.2244	0.149
Cerroll Schnabel	308 La Belle Ave	Farmington	NM	87401	0.2834	0.18%
Richard Ramos Anthony Espinosa	2712 La Puenta St 2802 La Puenta St	Farmington Farmington	NM NM	87401 87401	0.2466	0.15%
Wesley Lattin	301 La Belle Ave	Farmington	NM	87401	0.2488	
BAC Home Loans	400 Countrywide Way SV 35	Simi Valley	CA	93068		0.15%
Gary Clichee	302 La Crosse Ave	Farmington	NM	87401	0.2354	0.15%
Peter Klug Joseph Garcia	3507 E Campo Bello Dr 308 La Crosse Ave	Phoenix Farmington	AZ NM	85032 87401	0.2244	0.14%
Mathew Zersen	300 La Belle Ave	Farmington	NM	87401	0.2227	0.14%
Peter Kakos	307 La Belle Ave	Farmington	NM	87401	0.2112	0.13%
ionathon & Ivy Duries	305 La Belle Ave	Farmington	NM	87401	0.2112	0.13%
Iohn Haxton Anthony Marinaro	303 La Belle Ave 306 La Cuesta Ave	Farmington	NM	87401		0.13%
Carol Cooper	308 La Cuesta Ave	Farmington Farmington	NM NM	87401 87401	0.1980	0.12%
Vazario & Lucinda Salazar	310 La Cuesta Ave	Farmington	NM	87401	0.1980	0.12%
lon Jacobson	2900 La Puenta St	Farmington	NM	87401	0.2407	0.15%
Carl Mitchell	309 La Crosse Ave	Farmington	NM	87401	0.2252	0.149
Charles Sherman Michael C & Janilee Bitsue	307 La Crosse Ave	Farmington Farmington	NM	87401 87401	0.2244	0.14%
homas Strange	301 La Crosse Ave	Famington	NM	87401	0.2578	0.169
Vavajo Shopping Center	P O Box 77	Gamerco	NM	87317	5.4800	3.43%
Thirftway Marketing Corp	501 Airport Dr. Suite 105	Famington	NM	87401		
C & Sharon Shaffer eroy Riley	2401 Ridgeview Dr 2403 Riverside	Farmington Farmington	NM	87401 87401	3.0000	0.49%
3S Enterprises	101 E. Main St	Farmington	NM	87401	1,5400	
Norman & Martha Faver Rev Trust	1028 West Main St	Farmington	NM	87401	13.0570	8.16%
NM Department of Transportation	1120 Centilos Road	Santa Fe	NM	87504		
saac Sing-Cheam Lim .echuga Transporation	1432 Oak Vista Way 2501 W Main	Pleasanton Farmington	CA NM	94566 87401		
Connie Frazer	1923 Glade Rd	Farmington	NM	87401		0.60%
Viary Mae Goodding Trust	2311 W. Apache	Farmington	NM	87401	4.1600	2.60%
OBL Systems 7 LLC	3801 W Clarendon	Phoenix	AZ	85018		
Northern Properties I LLC Attn Wendy's Ruby Leclaire	1515 N. Academy Blvd, #400	Colorado Springs Farmington	CO NM	80909 87401		
David Crow	301 La Cuesta	Farmington	NM	87401		
Total Uncommitted Mineral Owners					56.7745	
Total NE/4	<del> </del>	<del></del>		-	160.0000	100.00%
TOTAL N/2 SUMMATION	<del> </del>	<del> </del>		<del> </del>	<del>                                     </del>	<del> </del>
Memon Oil & Gas Leased	<del>\</del>	<del>                                     </del>	+	<del> </del>	89.1038	35.62%
KTO Leased	<b></b>				84.5569	
Synergy Leased		_			9.3400	3.739
Total Uncommitted Mineral Owners	<del> </del>	- <del> </del>			67.1493	
					250.1500	100.009

# **MERRION OIL & GAS**

#### **Drilling and Completion Cost Estimate**

Prepared by Paul Thompson, Thompson Engineering and Production Corp. AUTHORITY FOR EXPENDITURE

AUTHORITY ON EXPERDITORE			
Westland Park #1			
Location: NW/4 Section 18, T29N, R13W,	San Juan Co., CO		
Proposed Depth: 1100'	Objective: Pictured Cliffs and Fruitland Coal		
	FTC P	<del></del>	Total
I. Tangible Drilling Costs( Does not includ	le running production casing)		
Conductor casing (40' of 9-5/8" @ 25.75 \$/ft.	) 515	515	1,0
Surface Casing (120' of 7" @ 14.25 \$/ft.)	855	855	1,7
Casing Head	425	425	8
Total Tangible Drilling Cost	1,795	1,795	3,5
II. Intangible Drilling Costs( Does not incl	ude running production casing)		
Survey and Permits	0	0	
Title Opinion and Land Costs	1,410	1,410	2,8
Damages	15,000 `		15.0

1,030 1,710 850 3,590

2,820

Damages	15,000 `		15,000
Dirt Work	4,000	4,000	8,000
Pit Liner and Fence	4,000	4,000	8,000
Drill Conductor Hole	1,200	1,200	2,400
Drilling Footage @ \$19.00/ft	10,450	10,450	20,900
Rig Rentals	3,000	3,000	6,000
Rig Mob and Demob	1,000	1,000	2,000
Fuel (Footage)	. 0	a	0
Water and Water Hauling	1,200	1,200	2,400
Drilling Mud	1,590	1,590	3,180
Drill Bits (Footage)	0	0	0
Cement Surface	1,575	1,575	3,150
Logs	3,425	3,425	6,850
Environmental Disposal	2,500	2,500	5,000
Miscellaneous & BOP Test	4,000	4,000	8,000
Trucking	1,500	1,500	3,000
Engineering/Supervision	2,000	2,000	4,000
Total Intangible Drilling Cost	57,850	42,850	100,700
Total Drilling Costs	59,645	44,645	104,290
10% Contingency	5,965	4,465	10,429
Grand Total Drilling Costs	85,610	49,110	114,719
III. Tangible Completion Costs			
Draduction Cooling (1400) of 4 40° 40 5# at 7 50 6/8\	4 405	4.406	0.050

Production Casing (1100' of 4-1/2", 10.5# at 7.50 \$/ft)	4,125	4,125	8,250
Float Equipment	450	450	900
Tubing Head and Well Connection Fittings	875	675	1,350
Tubing (1000' of 2-3/8" @ 4.50 \$/ft.)	2,250	2,250	4,500
Rods, Pump, SB, PR,ect.)	1,800	1,800	3,600
Separator	3,500	3,500	7,000
Flowlines	2,500	2,500	5,000
Tank and Fittings	2,000	2,000	4,000
Pumpjack and Motor	13,000	13,000	26,000
Pipeline	32,850	32,850	65,700
Noise Abatement Building	18,925	18,925	37,850
Measurement Equipment	6,250	6,250	12,500
Total Tangible Completion Costs	88,325	88,325	176,650

IV. Intangible Completion Costs			
Cement Production Casing	3,500	3,500	7,000
Casing Crew	1,000	1,000	2,000
Perf	3,500	3,500	7,000
Stimulation (Single PC & Single FTC)	38,500	38,500	77,000
Tool Rental (Frac Valve)	800	800	1,600
Frac Tank Rental	1,500	1,500	3,000
Completion Fluids & Disposal	1,800	1,800	3,600
Completion Rig (3 days at \$3000/day)	4,500	4,500	9,000
Bailer	400	400	800
Flowline Installation	3,000	3,000	6,000
Trucking	1,000	1,000	2,000
Restore Location	500	500	1,000
Engineering/Supervision	1,500	1,500	3,000
Total Intangible Completion Costs	61,500	61,500	123,000
Total Completion Costs	149,825	149,825	299,650
10% Contingency	14,983	14,983	29,965
Grand Total Completion Costs	164,808	164,808	329,615
Grand Total Well Costs	230,417	213,917	444,334

# **MERRION OIL & GAS**

#### **Drilling and Completion Cost Estimate**

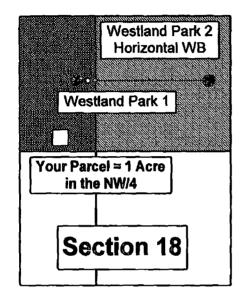
Westland Park #2	
Location: NW/4 Section 18, T29N, R13W, San Juan Co., CO (BHL - NE/4) Proposed Depth: 900' TVD & 2923' MD Objective: Horizontal Basin	Fruitland Coal
	Total
I. Tangible Drilling Coats( Does not include running production casing) Conductor casing (40' of 13-3/8" @ 40.00 \$/ft.)	1,600
Surface Casing (120' of 9-5/8" @ 25.75 \$/ft.)	1,710
Casing Head	2,730
Intermediate Casing (1175' of 7" @ 14.25 \$/ft.  Total Tangible Drilling Cost	16,745 22,785
	THE RESERVE OF THE PERSON NAMED OF THE PERSON
II. Intangible Drilling Costs( Does not include running production casing) Survey and Permits	
Title Opinion and Land Costs	2,820
Damages	30,000
Dirt Work	8,000
Pit Liner and Fence Drill Conductor Hole	8,00
Drilling Daywork @ \$11,800/day 10 days	2,400 449.00
Rig Rentals	118,000 5,000
Rig Mob and Demob	10,000
Fuel	4,20
Water and Water Hauling	2,400
Drilling Mud	6,000
Air Pkg & Nitrogen Unit	
Drill Bits Cement Surface	15,67
Cement Intermediate	3,150 8,500
Directional Drilling Equipment	76,00
HWDP Rental	15,000
Mud Logger (8 days @ 2,500/day)	20,000
Environmental Disposal	5,000
Miscellaneous & BOP Test	8,000
Trucking	3,000
Engineering/Supervision Total Intangible Drilling Cost	9,000
Total Orilling Costs	381,930
10% Contingency	38,193
Grand Total Drilling Costs	420,123
III. Tangible Completion Costs	
Production Casing (2923' of 4-1/2", 10.5# at 7.50 \$/ft)	21,940
Float Equipment	900
Casing Head & Tubing Head & Well Connection Fittings Tubing (1175' of 2-3/8" @ 4.50 \$/ft.)	10,470
Rods, Pump, SB, PR,ect.)	5,29 3,60
Separator Separator	7,000
Flowlines	5,00
Tank and Fittings	4,00
Pumpjack and Motor	26,000
Pipeline Noise Abstement Ruilding	65,70
Noise Abatement Building Measurement Equipment	37,850 12,500
Total Tangible Completion Costs	200,25
IV. Intangible Completion Costs Slotting 4-1/2" casing (1750' @ 8.05 \$/ft)	24
Slotting 4-1/2" Casing (1/50" @ 6.05 \$m)  Casing Crew	10,596 3,500
Completion Rig (3 days at \$3000/day)	3,300 90,00
Bailer	3,00
Flowline Installation	6,000
Trucking	2,00
Restore Location	1,000
Engineering/Supervision	3,000
Total Intangible Completion Costs	35,090
Total Completion Costs	236,34
10% Contingency Grand Total Completion Costs	23,534

Prepared By: Paul C. Thompson, P.E. Date: July 27, 2010

Grand Total Completion Costs
Grand Total Well Costs

258,874 678,997

# Example 1 Acre Parcel Calculation of Costs to Participate in Drilling Westland Park 1 & 2 wells in the N/2 of Section 18 (Note that Section 18 is a truncated section totalling 500 Ac)



#### Ownership Proportionally Reduced 1/250=0.4%FC 1/90=1.111%PC

Estimated Drilling Cost:
WP1 =\$444,000
WP2 = \$670,000 (Horizontal)

Your Share in the Westland Park1 FC - 0.4% x \$222,000=\$900 PC - 1.111% x \$222,000=\$2500 Your Share in the Westland Park 2 FC - 0.4% x \$679,000=\$2700

Total in both wells: \$6100

# Fruitland Coal 320 Ac Spacing Unit (normally) Truncated Section 250 Ac

1/250 Your share of Westland Park 1 Fruitland Coal Well 1/250 Your share of Westland Park 2 Fruitland Coal Well

Pictured Cliffs
160 Ac Spacing Unit (Normally)
Truncated Section 90 Ac

1/90 Your share of Westland Park 1 Pictured Cliffs Well Note: The PC will not be completed in the WP2 well

Note 1: As a working interest owner, you will pay your proportionate share of operating costs as calculated in the example to the left, and you will receive your share of revenue from the wells after royalty deductions

Note 2: If your land isin the NW/4 of section 18, you would only be in the FC in both wells for a total of \$3600

#### A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1982

1	ARTICLE XVI.
2	MISCELLANEOUS
3 4	OPERATING AGREEMENT DATED July 1, 2010 (Westland Park 1 & 2) OPERATOR: Merrion Oil & Gas Corporation
5	CONTRACT AREA: Township 29 North, Range 13 West, NMPM, N/2 Section 18, San Juan County, NM
6	Depth Limited: Surface to base of Pictured Cliffs formation
7	
8	This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.
y 10	regal representatives, successors and assigns.
11	This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.
12	, , , , , , , , , , , , , , , , , , ,
13	IN WITNESS WHEREOF, this agreement shall be effective as of 1 <sup>st</sup> day of February, 2008.
14	
15	Merrion Oil & Gas Corp. Land Dept. , who has prepared and circulated this form for execution, represents and warrants that the form
6	was printed from and with the exception listed below, is identical to the AAPL Form 610-1982 Model Form Operating Agreement, as published
7	in diskette form by Forms On-A-Disk, Inc. No changes, alternations, or modifications, other than these in Article
18 19	AS STRIKE-OUTS: INSERTIONS APPEAR IN BOLD TYPE , have been made to the form.
20	OPERATOR
15	OPERATOR
22	MERRION OIL & GAS CORPORATION
23	
24 25	MERRION OIL & GAS CORPORATION  By: TO Mer Welly Well War
26	T. Greg Merrion, President
27	
28 29	
30	
31	NON-OPERATORS
32	
33	
34	
35 36	By:
17	
8	Name:
9	The state of the s
ю	Title:
1  2	I AUC.
13	
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August 5, 2010

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

**RE:** Application for Compulsory Pooling

Basin Fruitland Coal Pool - N/2 of Section 18 (Westland Park 1 & 2) West Kutz Pictured Cliffs Pool - NW/4 of Section 18 (Westland Park 1) T29N - R13W, San Juan County, New Mexico

Dear Ms Davidson:

Merrion Oil & Gas plans to drill the Westland Park #1 and #2 wells to develop the Fruitland Coal and the Pictured Cliffs formations in the N/2 of Section 18, T29N, R13W within the city limits of Farmington. We plan to complete and commingle the Pictured Cliffs and the Fruitland Coal formations in the Westland Park #1 as a vertical well. The Westland Park 2 will be drilled from the same surface location as a horizonatal Fruitland Coal well.

Because we are in the city limits of Farmington, the ownership is complex, with dozens of different mineral and leasehold owners. Merrion anticipates that not all of the owners will choose to either lease or participate in the drilling of the wells. Therefore, the purpose of this application is to compulsory pool the Basin Fruitland Coal Pool on the 250 acre tract in the N/2 of Section 18, and to compulsory pool the West Kutz Pictured Cliff Pool on the 90 ac tract in the NW/4 of Section 18 for the Westland Park 1 well. We ask that these compulsory pooling requests be joined in the same hearing process. We request that this matter be set for hearing on your September 16, 2010 docket.

Please note that Order R-13000 already compulsory pooled the Basin Fruitland Coal Pool in the N/2 of the Section, and that order has been extended through September 30, 2010. However, the wells will not be drilled by that time, and since we are now planning to commingle the Fruitland Coal and Pictured Cliffs formations, we are resubmitting the Fruitland Coal concurrently with the Pictured Cliffs compulsory pooling applications.

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.

#### OTHER ASSOCIATED APPLICATIONS

Merrion is aware that it will need NMOCD approval on a number of other applications. We will need approval for Downhole Commingling (DHC), Non-Standard Locations (NSL), and because the NW/4 of Section 18 is a truncated quarter section of only 90 acres, Non-Standard Proration Units (NSP). Applications for DHC, NSL and NSP will be submitted for approval through the administrative process.

#### **NOTIFICATION**

Attached is a list of all uncommitted mineral owners and leasehold 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.

George Sharpe
Investment Manager

Merrion Oil & Gas

505-324-5314

gsharpe@merrion.bz

cc Aztec NMOCD

Office Opp to Appropriate District	State of N	New Mexico		m C-103
District I	Energy, Minerals a		er 13, 2009	
1625 N. French Dr., Hobbs, NM 88240			WELL API NO.	
<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERV	ATION DIVISION	30-045-34749 5. Indicate Type of Lease	
District III	1220 South	STATE FEE	¬	
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe	, NM 87505	6. State Oil & Gas Lease No.	<del>-</del>
1220 S. St. Francis Dr., Santa Fe, NM				
87505 SLINDRY NOT	ICES AND REPORTS ON	WELLS	7. Lease Name or Unit Agreemer	it Name
(DO NOT USE THIS FORM FOR PROPO DIFFERENT RESERVOIR. USE "APPLI	DSALS TO DRILL OR TO DEEP.	EN OR PLUG BACK TO A		it realic
PROPOSALS.)  1. Type of Well: Oil Well	Gas Well 🛛 Other		8. Well Number	
2. Name of Operator			9. OGRID Number	
Merrion Oil & Gas Corporation  3. Address of Operator			14634	
610 Reilly Ave Farmington, NM 8	R7401		10. Pool name or Wildcat Basin FC/Kutz PC	ł
4. Well Location			Dani I O'Itace I O	
T. Wen Location				1
Unit Letter C :	1269 feet from the	North line and	1183 feet from the West	line
Section 18 Towns		13W NMPM	County San Juan	
	11. Elevation (Show who	ether DR, RKB, RT, GI 5224	R, etc.)	
· 其一人。 图 · · · · · · · · · · · · · · · · · ·		3424		(100g) 20g
12. Check	Appropriate Box to Inc	licate Nature of No	tice, Report or Other Data	
	~ ~	•	, •	
_	NTENTION TO:	1	SUBSEQUENT REPORT OF:	~~ <b>~</b>
PERFORM REMEDIAL WORK  TEMPORARILY ABANDON		☐ REMEDIAL COMMENC	WORK ALTERING CA E DRILLING OPNS. P AND A	
PULL OR ALTER CASING			EMENT JOB	
DOWNHOLE COMMINGLE				
ATUED:		OTHER:		П
OTHER:  13. Describe proposed or compared to the proposed to t	pleted operations. (Clearly		ls, and give pertinent dates, including esti	imated date
	ork). SEE RULE 19.15.7.1		le Completions: Attach wellbore diagram	
		14 4 144 4 85 4	1 41:44 (0 ) 4 1 70(00)	
	₹		ured Cliffs (Pool Code 79680) an	d
the Basin Fruitland Coal (Po	•			•
			reduce the value of the product	ion.
The New Mexico State Land	d Office has been not	ified in writing of	this application.	
				_
<u> </u>	•		t owner per Order Number 11363	
•	Gas Corporation and	the Oil Conservati	on Division within twenty (20) do	rys
if you have objections.				
	<del>1</del>	<del></del>		
Spud Date:	Rig R	elease Date:		
·				
I hereby certify that the information	above is true and complete	e to the best of my kno	wledge and belief.	
SIGNATURE / MILIMU	ININIII TITI	E Regualtory Complia	ance SpecialistDATE8/5/10	
	-			
Type or print namePhilana Thor				
	npsonE-ma	il address:pthomps	son@merrion.bz PHONE: _505-324-5	336
For State Use Only	npsonE-ma	ail address:pthomps	son@merrion.bz PHONE: _505-324-5	336
	mpsonE-ma		son@merrion.bz PHONE: _505-324-5: DATE	336

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District [[

1301 W. Grand Ave., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

#### State of New Mexico

Form C-102 Permit 117062

#### **Energy, Minerals and Natural Resources**

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (	GAS)
4. Property Code 37223	5. Property Name WESTLAND PARK		No.
7. OGRID No. 14634	8. Operator Name MERRION OIL & GAS CORP		tion 1

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	ı
С	18	29N	13W		1269	N	1183	w	SAN JUAN	l

11. Bottom Hole Location If Different From Surface

I	UL - Lot	Section	Township	Range	Lot I	đn	Feet From	N/S L	ine	Feet From	E/W Line	County
		12. Dedicated Acres 13. Joint or Infill 250.15			14	. Consolidation (	Code	15. Order No.				

# NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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#### **OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: MINUME VICENTY

Title: Regulatory Compt. Specification:

B | 5 | 10

#### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Gerald Huddleston Date of Survey: 5/8/2008 Certificate Number: 6844 District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone;(505) 476-3470 Fax:(505) 476-3462

### State of New Mexico

Form C-102 Permit 117062

#### **Energy, Minerals and Natural Resources**

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

		ELL EUCATION AND ACI	REAGE DEDICATION IL	
1	1. API Number	2. Pool Code	3. Poo	l Name
		79680 KUTZ PICTURED CL		LIFFS, WEST (GAS)
ı	4. Property Code	5. Property Name		6. Well No.
1	37223	WESTLA	001	
į	7, OGRID No.	8. Operator Name		9. Elevation
ļ	14634	MERRION OIL & GAS CORP		5224

10. Surface Location

ı	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	l
ı	С	18	29N	13W		1269	N	1183	W	SAN JUAN	١

11. Bottom Hole Location If Different From Surface

UL - Lot S	Section	Township	Range	Lot	ldn	Feet From	N/S L	ine	Feet From	E/W Line	County
12. Dedicated 90.15		13. J	loint or Infill		14	. Consolidation (	Code	15, Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

#### **OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Philamit Vampes ( Title: fegulatory Comp. Spec Date: 8/5/10

#### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Gerald Huddleston
Date of Survey: 5/8/2008
Certificate Number: 6844

# Production Allocation Methodology Commingling of Basin Fruitland Coal Pool And West Kutz Pictured Cliffs Pool Westland Park 1 N/2 Section 18, T29N, R16W San Juan County, New Mexico

It is recommended that production be allocated between the Basin Fruitland Coal Pool and the West Kutz Pictured Cliffs Pool for the subject well based on the performance of nearby offset wells. Exhibit 1 is an Estimate Ultimate Recovery (EUR) map of a 23 section study area surrounding the subject lands. Pictured Cliffs (PC) EUR's are represented by semi-circles on the right, and Fruitland Coal EUR's are represented by semi-circles on the left of each well symbol. As can be seen from the map, while EUR's in the area vary for both formations, in general, the PC and the Fruitland Coal are statistically similar in their performance.

Type curves were made of all the currently producing wells in the 23 section study area. The Fruitland Coal type curve is shown in Figure 2 while the PC type curve is shown in Figure 3. Again, except for a slight dewatering period for the Fruitland Coal, the performance of the two zones is relatively similar. Based on the type curve, an "average" Fruitland Coal completion in the area is estimated to have an ultimate recovery of 657 MMCF and 61.4 MBbls of water, while an "average" PC completion is projected to have an ultimate recovery of 859 MMCF and 88.6 MBbls of water.

Because of the difficulty in obtaining accurate production tests during the dewatering period on the coal, and because of the inaccuracy of using these tests for allocation over the life of a well, it is recommended that production be split between the Fruitland Coal and the PC based on the "average" ultimates from the type curves. On that basis, the following allocation is recommended:

<u>Formation</u>	Gas Allocation	Water Allocation
Fruitland Coal	43.3%	40.1%
Pictured Cliffs	56.7%	59.9%

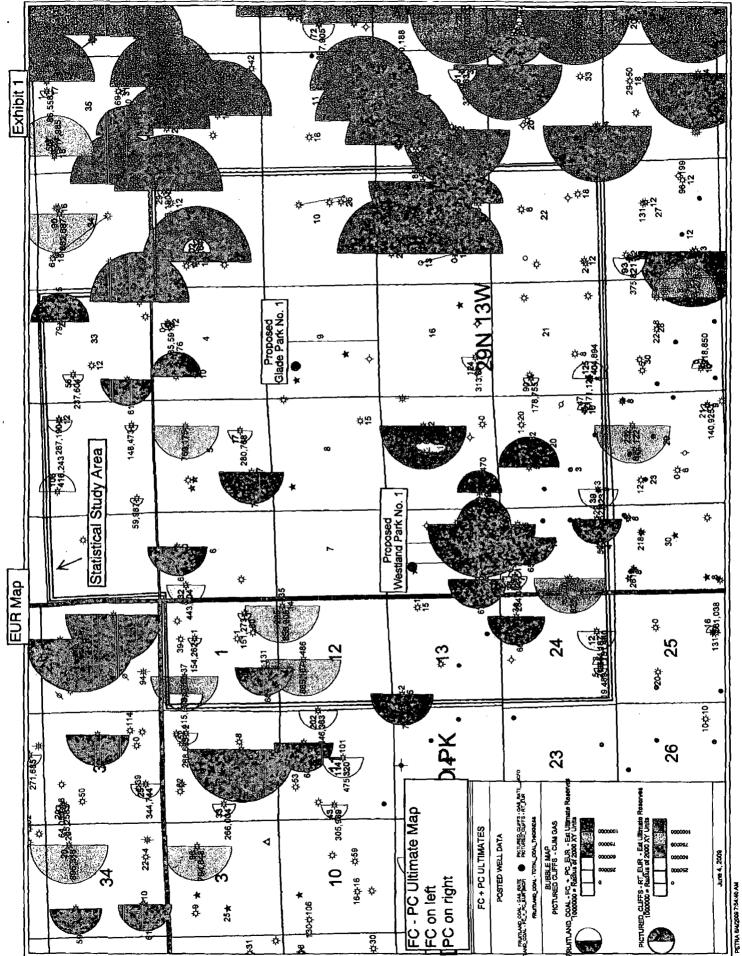


Exhibit 7

Date: 2/6/2010 Time: 10:02 AM

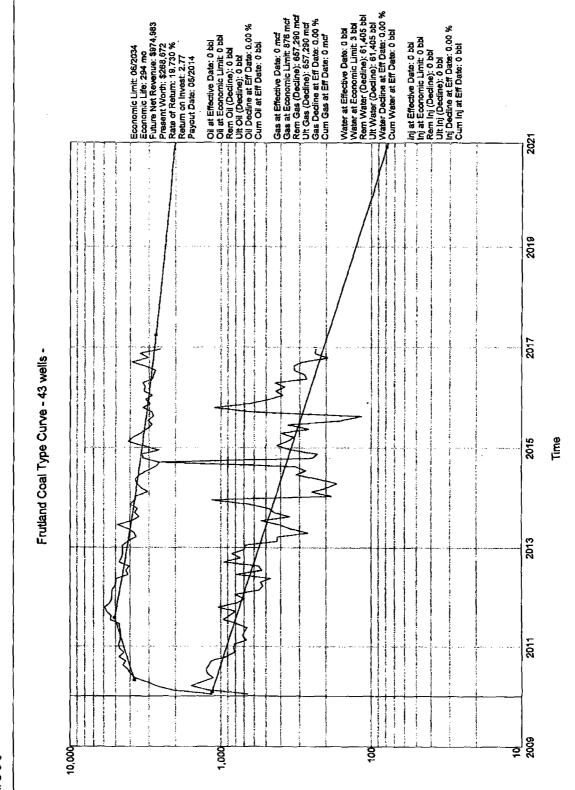
Rate/Time Graph

Lease Name: Frutland Coal Type Curve - 43 wells () County, ST:,

Location: 0-0-0

Fruitland Coal Type Curve

Operator: Field Name:



Monthly Rate

Exhibit 9

Date: 2/6/2010 Time: 10:01 AM

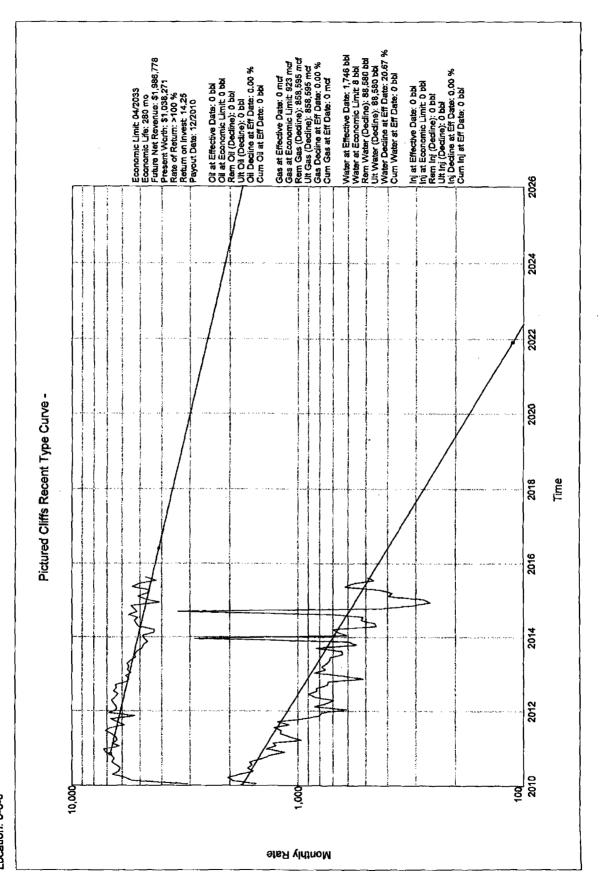
Rate/Time Graph

Lease Name: Pictured Cliffs Recent Type Curve () County, ST:,

Location: 0-0-0

Pictured Cliffs Type Curve

Operator: Field Name:





Affidavit of Notification

Docket 3110 Case 14541

Exhibit 2

August 10, 2010

CERTIFIED RETURN RECEIPT REQUESTED

RE: PROPOSAL TO DRILL - WESTLAND PARK #1 AND #2

N/2 SECTION 18, T29N, R13W

SAN JUAN COUNTY, NEW MEXICO

NOTIFICATION OF COMPULSORY POOLING APPLICATION NOTICE OF PLAN TO COMMINGLE

XTO Energy INC. Aaron Austin 810 Houston St. Fort Worth, TX 76102 Synergy Operating Inc Tom Mullins PO Box 5513 Farmington, NM

#### Gentlemen:

Merrion Oil & Gas is proposing to drill two wells in the north half of Section 18, T29N, R13W. As you are aware, Merrion proposed these wells two years back, but delayed them due to the drop in gas prices. In the mean time, our AFE and all our permits have expired, so we are starting the process over. The Westland Park 1 will be a vertical PC – Fruitland Coal commingle, and the Westland Park 2 is planned as a horizontal Fruitland Coal drilled from the same surface location.

Attached is an updated title review of the ownership in the area. Please let Martha Goats know if you have any concerns about your ownership. Attached are signature pages to the Operating Agreement and an AFE for each of the wells. Please indicate your desire to participate in the drilling of these wells by executing and returning copies of the AFE's and a signature page of the Operating Agreement. The Operating Agreement can be reviewed on line at <a href="www.merrion.bz/click">www.merrion.bz/click</a> on Owner Relations tab, then click on Westland Park tab and download document. You already executed an identical OA two years back, but it expired because we never drilled the test well.

There are a large number of unleased mineral owners which Merrion will have to force pool. In that regard, attached is a copy of Merrion's application for force pooling on these two wells. We are requesting a hearing date on September 16, 2010 at 8:00 a.m. If you wish to participate in the hearing process, you will need to notify the NMOCD at least 20 days prior to the hearing. The mailing address for the NMOCD and the location of the hearing is 1220 S. St. Francis Dr., Santa Fe, NM 87505.

Merrion also intends to down hole commingle the Fruitland Coal and the Pictured Cliffs formations in Westland Park 1 well. Attached is a notice of intent in that regard. If you have concerns, please let me know, or notify the NMOCD office in Aztec.

Please let me know if you have any questions. Thank you for your consideration.

Sincerely,

George Sharpe Investment Manager

gsharpe@merrion.bz

505-324-5314

# **List of Attachments**

- 1. Leasehold Working Interest Owner List.
- 2. Authorization for Expenditures (AFEs)
- 3. Operating Agreement and Signature Pages
- 4. Application to NMOCD for Compulsory Pooling
- 5. Notice of Intent to Commingle

### Attachment 1

W/2 Section 9, 29N, 13W		1	{	ļ		
San Juan County NM						
Mineral Interests	Address	City	State	ZIP	Acres	% of Qtr
NW/4 -	<u> </u>					
Roberts Frank Brothers	717 W 31st Street	Farmington	NM	87401	17.5	
Paul Abbott	706 W Boyd Dr	Farmington	NM	87401	0.1783	<del></del>
Richard & Judith Yancey Trust	701 W Boyd Dr	Farmington	NM	87401	0.154	
Delores A. Wilson Trust	707 Ashurst Dr	Farmington	NM	87401	0.3656	
Manuel Hastings Trustee (correct to 1.2181)	PO BOX 50306	Midland	TX	79710	1.2181	
Janice C Beatty	1306 Mossey Cup Dr	Farmington	NM	87401	0.2066	
Christopher Warren	702 Ashurst Or	Farmington	NM	87401	0.1611	
Paul & Sylvia Pacheco	1218 Mossey Cup Dr	Farmington	NM	87401	0.1011	
Bobby Ray & Donna D James	621 Linden Dr	Farmington	NM	87401	0.4871	
Sharon Kathleen Curtin	620 Ashurst Dr	Farmington	NM	87401	0.4389	
John C & Sandra Gurule	621 Ashurst Dr	Farmington	NM	87401	1.274	
Mega James	604 Linden Dr	Farmington	NM	87401	0.2009	
Aaron James	608 Linden Dr	Farmington	NM	87401	0.2754	
Gregory Mark James	608 Unden Dr	Farmington	NM	87401	0.1377	
Kathalyn O. Merrion	616 Ashurst Dr	Farmington	NM	87401	0.2193	
Michael & Karen Walker	619 Ashurst Dr	Farmington	NM	87401	0.1627	
Doanid & Jacqueline Soderberg	615 Ashurst Dr	Farmington	NM	87401	0.2207	
Alan P Nelson	611 Ashurst Dr	Farmington	NM	87401	0.1804	
Barbara N. Gille	607 Ashurst Dr.	Farmington	NM	87401	0.3856	
Boyce & Cheryl Perry	605 Ashurst Dr	Farmington	NM	87401	0.3636	
George Alton James	1324 St. James Place	Farmington	NM	87401	0.3275	
Kenneth & Bobbi Newland	602 Ashurst Dr	Farmington	NM	87401	0.185	
George & Myrtle James Trust	1324 St. James Place	Farmington	NM	87401	0.5543	
Kent James	2158 Main St Ste. 109	Wailuku Maui	HI	96793	1.1091	
Timothy A. McThias	1318 St. James Place	Farmington	NM	87401	0.2109	
Rodney & Sharon Zubrod	606 Glade Rd	Farmington	NM	87401	0.8006	
Carl & Dorothy James	608 Linden Dr	Farmington	NM	87401	0.3621	
City of Farmington	800 Municipal	Farmington	NM	87401	40	
City of Farmington	800 Municipal Dr.	Farmington	NM	87401	1.7	
City of Farmington	800 Municipal Dr.	Farmington	NM	87401	0.3194	
City of Farmington	800 Municipal Dr.	Farmington	NM	87401	4.8251	
Merrion Oil & Gas Leased	- Coo Maniespat 517	- I dillington		3,101	74,4171	46.51%
MISLUMI OH & G92 CE926A	<del></del>	<del></del>	-}	<b></b> -	74,4171	40.517
Farm Credit Bank of Wichita	245 N Waco St	Wichita	KS	67202	17.5	
	PO BOX 1604		NM	87499	4.04	
Wellesly Hodgins Trustees H D Rosebrough et ux	F-C BCA 1004	Farmington	NM	6/439	3.567	
Waldemere Beinar	<del>_</del>	Farmington	THE STATE OF THE S	<del> </del>	7.13	
						80.000
XTO Leased	810 Houston Street	Fort Worth	TX	76102	32.237	20.15%
Total Uncommitted Mineral Owners					53.3459	33.349
Grand Total NW/4					160.0000	100.009
	<del>-  </del>	<del></del>		<del></del>	00.0000	

W/2 Section 9, 29N, 13W	T	]				
San Juan County NM						
Mineral Interests	Address	City	State	ZIP	Acres	% of Qtr
<u>SW/4 - </u>		}	}	}		
NM State Police ATTN: Property Control	1100 St. Francis Dr Montoya BLDG	Santa Fe	NM	87506	2.11	
John & Joan Ashback	PO Box 2315	Farmington	NM	87499	0.6155	
Ricky Imel	628 E Mesquite St.	Gilbert	AZ	85296	1	
San Juan County	100 S. Oliver Dr	Aztec	NM	87410	2.8	
Sri Cram	512 West Navajo	Farmington	NM	87401	0.98	
Carol L. Walsh Charles W. Eccles	416 Bremond 1632 S. 114th Street	Nacogdoches	TX WA	75964 98444	0.998471 1.675413	
Jerry Sue Dyess	518 N. Travis	Tacoma Deer Park	TX	77536		
Joan Eaton	PO 80x 839	Farmington	NM	87499	1.675413	
Paul & Jay Eaton	707 Howard Street	Inverness	FL	34453	1.972232	
Carl Eaton	447 fuqua	Houston	TX	77048	1.88	
Presbyterian Medical Services	PO Box 2267	Santa Fe	NM	87504	1.4118	
Merrion Oil & Gas	610 Reilly Ave	Farmington	MM	87401	1.52	
Herman Walters Farmington Real Estate Holding	665 W. Main PO 80x 1236	Farmington	CO	87401	1.05	
Konaquest	4109 Skyline Dr	Cortez Farmington	NM	81321 87401	0.64 0.8219	
Aref Kabbara	810 W. Apache	Farmington	NM	87401	0.6213	
Easley Trust	708 Douglas Street	Farmington	NM	87401	1.3219	
John Easley	706 Douglas Street	Farmington	NM	87401	0.58	
James Valdez	200 W. 20th	Farmington	NM	87401	0.36	
Westernan/Monette Trust	PO Box 1175	Aztec	NM	87410	0.1601	
Jun Tsukii	PO Box 476	Kirtland	NM	87417	0.1601	
Anita Johnson	509 Glade Place	Farmington	NM	87401	0.1601	
Ruby H Brown Trust George Christopoulos	180S Laguna 1048 Crestview Circle	Farmington Farmington	NM NM	87499 87401	0.3259 0.1997	
Thomas Dinning	301 W. Apache	Farmington	NM	87401	0.1419	
Arlington Kennedy	3087 W. Calle Levante	Farmington	, NM	85746	0.1419	
Dearma Schulte	507 San Juan PL	Farmington	NM	87401	0.1655	
Board of Education Farmington School Distrcit 5	PO Box 5850	Farmington	NM	87499	9.74	
James Michael & Frances Waite	721 W. Douglas	Farmington	NM	87401	2.99	
Alice Torres	710 Paralee Dr	Farmington	NM	87401	0.4018	
Gary Lee Torres	5101 Cordoba Way 601 Paralee Dr	Farmington	NM NM	87402	0.1655	
Ira Eugene Snow Ricky Imel C/O Frank & Delores Theodosia	603 Circle Dr.	Farmington Farmington	NM	87401 87401	0.21 0.6575	
Derick McGaha	605 N Auburn	Farmington	NM	87401	0.9321	
City of Farmington	800 Municipal Dr.	Farmington	NM	87401	35.84	
City of Farmington	800 Municipal Dr.	Farmington	NM	87401	4.1	
City of Farmington	800 Municipal Dr.	Farmington	NM	87401	12.229	
City of Farmington	800 Municipal Dr.	Farmington	NM NM	87401	2.844	
City of Farmington	800 Municipal Dr.	Farmington	NM	87401	6.88	
City of Farmington Robert Taylor	800 Municipal Or. 3302 Knudsen	Farmington Farmington	NM NM	87401 87401	1.24 0.2926	
Robert Taylor	3302 Knudsen	Farmington	NM	87401	0.3931	
Merrion Oll & Gas Leased		1	+	<del>                                     </del>	104,8137	65.51%
BPOE (Elks)		Farmington	NM	87401	3.356	
B & C Development	PO Box 1175	Aztec	NM	87410	3.5405	L
Martin Thorpe	700 W Douglas	Farmington	NM	87401	0.39	
XTO Leased	810 Houston Street	Fort Worth	TX	76102	7.2865	4.55%
Total Uncommitted Mineral Owners					47.8998	29.94%
Grand Total SW/4	+	<del> </del>	_ <del> </del>	<del> </del>	160.0000	100.00%
		<del>-</del>				
Total W/2 Summation			<del> </del>	<del>                                     </del>		
Merrion Oil & Gas Leased				1	179.2308	56.01%
XTO Leased					39.5235	
Total Unleased					101.2457	31.64%

-

# **MERRION OIL** : GAS

#### **Drilling and Completion Cost Estimate**

Prepared by Paul Thompson, Thompson Engineering and Production Corp.

Westland Park #1			1.
Location: NW/4 Section 18, T29N, R13W, San Juan <u>Co., CO</u> Proposed Depth: 1100' Objective: Pictured Cliffs and	Emittand Coal		
	FTC	PC	Total
I. Tangible Drilling Costs( Does not include running production casing) Conductor casing (40' of 9-5/8" @ 25.75 \$/ft.)	515	515	1,030
Surface Casing (120' of 7" @ 14.25 \$/ft.)	855	855	1,710
Casing Head	425	425	850
Total Tangible Drilling Cost	1,795	1,795	3,590
ii. Intangible Drilling Costs( Does not include running production casing)			
Survey and Permits	0	0	0
Title Opinion and Land Costs	1,410	1,410	2,820
Damages	15,000		15,000
Dirt Work	4,000	4,000	8,000
Pit Liner and Fence Drill Conductor Hole	4,000 1,200	4,000 1,200	8,000 2,400
Drilling Footage @ \$19.00/ft	10,450	10,450	20,900
Rig Rentals	3,000	3,000	6,000
Rig Mob and Demob	1,000	1,000	2,000
Fuel (Footage)	0	0	C
Water and Water Hauling	1,200	1,200	2,400
Drilling Mud	1,590	1,590	3,180
Drill Bits (Footage) Cement Surface	0 1,575	0 1,575	3,150
Logs	3,425	3,425	6,850
Environmental Disposal	2,500	2,500	5,000
Miscellaneous & BOP Test	4,000	4,000	8,000
Trucking	1,500	1,500	3,000
Engineering/Supervision	2,000	2,000	4,000
Total Intangible Drilling Cost	57,850	42,850	100,700
Total Drilling Costs	59,845	44,645	104,290
10% Contingency Grand Total Drilling Costs	5,965 <b>65,610</b>	4,465 49,110	10,429
Giging Total Critical Costs	65,610	43,110	114,713
III. Tangible Completion Costs			
Production Casing (1100' of 4-1/2", 10.5# at 7.50 \$/ft)	4,125	4,125	8,250
Float Equipment	450	450	900
Tubing Head and Well Connection Fittings	675	675	1,350
Tubing (1000' of 2-3/8" @ 4.50 \$/ft.)	2,250	2,250	4,500
Rods, Pump, SB, PR,ect.) Separator	1,800 3,500	1,800 3,500	3,600 7,000
Flowlines	2,500	2,500	5,000
Tank and Fittings	2,000	2,000	4,000
Pumpjack and Motor	13,000	13,000	26,000
Pipeline	32,850	32,850	65,700
Noise Abatement Building	18,925	18,925	37,850
Measurement Equipment  Total Tangible Completion Costs	6,250 88,325	6,250 88,325	12,500
Total Targine Collination Costs	00,320	00,343	176,65
IV. Intangible Completion Costs			
Cement Production Casing	3,500	3,500	7,000
Casing Crew	1,000	1,000	2,00
Perf	3,500	3,500	7,00
Stimulation (Single PC & Single FTC)	38,500 800	38,500	77,00
Tool Rental (Frac Valve) Frac Tank Rental	1,500	800 1,500	1,60 3,00
Completion Fluids & Disposal	1,800	1,800	3,60
Completion Rig (3 days at \$3000/day)	4,500	4,500	9,00
Bailer	400	400	80
Flowline Installation	3,000	3,000	6,00
Trucking	1,000	1,000	2,00
Restore Location	500	500	1,00
Engineering/Supervision Total Intangible Completion Costs	1,500 61 500	1,500 81 500	3,00 123.00
Total Completion Costs	61,500 149,825	61,500 149,825	123,00 299,65
10% Contingency	14,983	14,983	29,96
<b>~</b> •			
Grand Total Completion Costs	164,808	164,808	329,61

Prepared By: Paul C. Thompson, P.E. Date: July 27, 2010

Working Interest Owners

ESTIMATED COSTS ONLY-Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

Approved: \_

# **MERRION OIL : GAS**

#### **Drilling and Completion Cost Estimate**

Prepared by Paul Thompson, Thompson Engineering and Production Corp. AUTHORITY FOR EXPENDITURE

Westland Park #2	1,
Location: NW/4 Section 18, T29N, R13W, San Juan Co., CO (BHL - NE/4)	
Proposed Depth: 900' TVD & 2923' MD Objective: Horizontal Basin Fruitland Coal	
. Tangible Drilling Costs (Does not include running production casing)	Total
Conductor casing (40' of 13-3/8" @ 40.00 \$/ft.)	1,60
Surface Casing (120' of 9-5/8" @ 25.75 \$/ft.)	1,71
Casing Head	2,73
ntermediate Casing (1175' of 7" @ 14.25 \$/ft.	16,74
Total Tangible Drilling Cost	22,78
I. Intangible Drilling Costs( Does not include running production casing)	
Survey and Permits	
Fitle Opinion and Land Costs	2,82
Damages	30,00
Dirt Work	8,00
Pit Liner and Fence	8,00
Orill Conductor Hole	2,40
Drilling Daywork @ \$11,800/day 10 days Rig Rentals	118,00 5,00
Rig Mob and Demob	10,00
Fuel	4,20
Water and Water Hauling	2,40
Drilling Mud	5,00
Air Pkg & Nitrogen Unit	·
Drill Bits	15,67
Cement Surface	3,18
Cement Intermediate	8,50
Directional Drilling Equipment	76,00
HWDP Rental	15,00
Mud Logger (8 days @ 2,500/day)	20,00
Environmental Disposal	5,00
Miscellaneous & BOP Test Trucking	8,00 3,00
Engineering/Supervision	9,00
Total Intangible Drilling Cost	359,14
Total Drilling Costs	381,93
10% Contingency	38,19
Grand Total Drilling Costs	420,12
III. Tangible Completion Costs	
Production Casing (2923' of 4-1/2", 10.5# at 7.50 \$/ft)	21,94
Float Equipment	90
Casing Head & Tubing Head & Well Connection Fittings	10,47
Tubing (1175' of 2-3/8" @ 4.50 \$/ft.)	5,21
Rods, Pump, SB, PR,ect.)	3,60
Separator	7,00
Flowlines Tank and Fittings	5,04
Pumpjack and Motor	4,00 26,00
Pipeline	65,70
Noise Abatement Building	37,8
Measurement Equipment	12,5
Total Tangible Completion Costs	200,2
IV. Intangible Completion Costs	
Slotting 4-1/2" casing (1750' @ 6.05 \$/ft)	10,5
Casing Crew	3,5
Completion Rig (3 days at \$3000/day)	9,0
Bailer	
Flowline Installation	6,0
Trucking	2,0
Restore Location	1,0
Engineering/Supervision	3,0
Total Intangible Completion Costs	35,0
Total Completion Costs	235,3
10% Contingency	23,5 258,8
Grand Total Completion Costs	

Prepared By: Paul C. Thompson, P.E. Date: July 27, 2010

Working Interest Owners

ESTIMATED COSTS ONLY-Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

Approved: \_\_\_\_\_\_\_\_
Co.: Date:

#### A.A.P.I. FORM 610 - MODEL FORM OPERATING AGREEMENT - 1982

1 2	ARTICLE XVI. MISCELLANEOUS
3	OPERATING AGREEMENT DATED
4 5	OPERATOR: Merrion Oil & Gas Corporation CONTRACT AREA: Township 29 North, Range 13 West, NMPM, N/2 Section 18, San Juan County, NM
6 7	Depth Limited: Surface to base of Pictured Cliffs formation
8	This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees,
9 10	legal representatives, successors and assigns.
11 <sub>.</sub>	This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.
13	IN WITNESS WHEREOF, this agreement shall be effective as of 1st day of February, 2008.
14 15	Merrion Oil & Gas Corp. Land Dept. , who has prepared and circulated this form for execution, represents and warrants that the form
16 17	was printed from and with the exception listed below, is identical to the AAPL Form 610-1982 Model Form Operating Agreement, as published
18	in diskette form by Forms On-A-Disk, Inc. No changes, alternations, or modifications, other than these in Article
19 20	OPERATOR
21 22	
23	MERRION OIL & GAS CORPORATION
24 25	MERRION OIL & GAS CORPORATION  By: TO MER VIEWWWW
26 27	T. Greg Merrion, President
28	
29 30	NON-OPERATORS
31 32	NON-OI BRATORS
33	
34 35	
36 37	By:
38	Name:
39 40	The state of the s
41 42	Title:
43 44	
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A# 4

August 5, 2010

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

RE: Application for Compulsory Pooling

Basin Fruitland Coal Pool – N/2 of Section 18 (Westland Park 1 & 2) West Kutz Pictured Cliffs Pool – NW/4 of Section 18 (Westland Park 1) T29N - R13W, San Juan County, New Mexico

Dear Ms Davidson:

Merrion Oil & Gas plans to drill the Westland Park #1 and #2 wells to develop the Fruitland Coal and the Pictured Cliffs formations in the N/2 of Section 18, T29N, R13W within the city limits of Farmington. We plan to complete and commingle the Pictured Cliffs and the Fruitland Coal formations in the Westland Park #1 as a vertical well. The Westland Park 2 will be drilled from the same surface location as a horizonatal Fruitland Coal well.

Because we are in the city limits of Farmington, the ownership is complex, with dozens of different mineral and leasehold owners. Merrion anticipates that not all of the owners will choose to either lease or participate in the drilling of the wells. Therefore, the purpose of this application is to compulsory pool the Basin Fruitland Coal Pool on the 250 acre tract in the N/2 of Section 18, and to compulsory pool the West Kutz Pictured Cliff Pool on the 90 ac tract in the NW/4 of Section 18 for the Westland Park 1 well. We ask that these compulsory pooling requests be joined in the same hearing process. We request that this matter be set for hearing on your September 16, 2010 docket.

Please note that Order R-13000 already compulsory pooled the Basin Fruitland Coal Pool in the N/2 of the Section, and that order has been extended through September 30, 2010. However, the wells will not be drilled by that time, and since we are now planning to commingle the Fruitland Coal and Pictured Cliffs formations, we are resubmitting the Fruitland Coal concurrently with the Pictured Cliffs compulsory pooling applications.

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.

#### OTHER ASSOCIATED APPLICATIONS

Merrion is aware that it will need NMOCD approval on a number of other applications. We will need approval for Downhole Commingling (DHC), Non-Standard Locations (NSL), and because the NW/4 of Section 18 is a truncated quarter section of only 90 acres, Non-Standard Proration Units (NSP). Applications for DHC, NSL and NSP will be submitted for approval through the administrative process.

#### **NOTIFICATION**

Attached is a list of all uncommitted mineral owners and leasehold 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,

George Sharpe Investment Manager Merrion Oil & Gas

505-324-5314

gsharpe@merrion.bz

cc Aztec NMOCD Tommy Roberts

Office	State of New Mexi		Form C-103
District I	E y, Minerals and Natura	Resources	October 13, 2009
1625 N. French Dr., Hobbs, NM 88240 District II	OIL CONGERNATION F	WELL API NO 30-045-34749	•
1301 W. Grand Ave., Artesia, NM 88210	W. Grand Ave., Artesia, NM 88210 OIL CONSERVATION DIVISION		
<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Franci	SIAIE	FEE
<u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM	Santa Fe, NM 8750	6. State Oil & 0	Gas Lease No.
87505 SUNDRY NOTICE	S AND REPORTS ON WELLS	7 Lease Name	or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOSAL DIFFERENT RESERVOIR. USE "APPLICAT	LS TO DRILL OR TO DEEPEN OR PLUG	BACK TO A Westland Park	or Omit Agreement Name
PROPOSALS.)  1. Type of Well: Oil Well  Ga	ns Well 🛛 Other	8. Well Numbe	
2. Name of Operator		9. OGRID Nun	iber
Merrion Oil & Gas Corporation		14634	1571
3. Address of Operator 610 Reilly Ave Farmington, NM 8740	11	10. Pool name (Basin FC/Kutz)	•
4. Well Location	'1	Dashi PC/Kutz	
4. Well Location			
Unit Letter C : 12	69 feet from the North	ne and 1183 feet from the	ne West line
Section 18 Township	29N Range 13W NN 11. Elevation (Show whether DR, R		San Juan
	5224	W, KI, OK, etc.)	
			The second of the second secon
12. Check App	propriate Box to Indicate Nati	ire of Notice, Report or Othe	r Data
NOTICE OF INTE	ENTION TO:	SUBSEQUENT R	FPORT OF
	,	EMEDIAL WORK	ALTERING CASING
		OMMENCE DRILLING OPNS.	P AND A
	MULTIPLE COMPL 🔲   C	ASING/CEMENT JOB	
DOWNHOLE COMMINGLE		•	
OTHER:		THER:	
13. Describe proposed or complete	ed operations. (Clearly state all per	inent details, and give pertinent da	tes, including estimated date
of starting any proposed work) proposed completion or recom	). SEE RULE 19.15.7.14 NMAC. pletion.	For Multiple Completions: Attach	wellbore diagram of
The indicator deal has a commission to the	المراجعة المراجعة المراجعة والمراجعة والمراجعة والمراجعة	last Distance of Oliffe (Deal C	- I- 70/00) I
It is intended to commingle the	•	~	•
the Basin Fruitland Coal (Pool C	•	_	•
Conservation Division Order Nu			t the production.
The New Mexico State Land O	ftice has been notified in w	riting of this application.	
THE STATE OF THE S	l con la cita		N I 44040
This notice is being provided to			
Please notify Merrion Oil & Gas	s Corporation and the Oil Co	nservation Division within 1	wenty (20) days
if you have objections.			,
	<del></del>	<del></del>	<del></del> 1
Spud Date:	Rig Release Date:		
I hereby certify that the information abo	ove is true and complete to the best	of my knowledge and belief.	
Mhus	- I want		
SIGNATURE MUSICAL	TITLE_Regualto	ry Compliance SpecialistDAT	TE_8/5/10
Type or print namePhilana Thompso	n E-mail address:	_pthompson@merrion.bz PHO	JNE: _505-324-5336
For State Use Only			
APPROVED BY: Conditions of Approval (if any):	TITLE	r	DATE

District I

1625 N. French Dr., Hobbs, NM 88240 Phone: (505) 393-6161 Fax: (505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462 State of New Mexico

Form C-102 Permit 117062

#### **Energy, Minerals and Natural Resources**

Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

77 12	DD DOCATION AND ACK	EAGE DEDICATION LUAT	
1. API Number	2. Pool Code	3. Pool Name	
	71629	BASIN FRUITLAND COAL (GAS)	
4. Property Code	5. Property	Name 6. Well No.	
37223	WESTLAN	D PARK 001	
7. OGRID No.	8. Operato	r Name 9. Elevation	
14634	MERRION OIL	& GAS CORP 5224	

10. Surface Location

-	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	ĺ
	С	18	29N	13W		1269	N	1183	w	SAN JUAN	ĺ

11. Bottom Hole Location If Different From Surface

			~					~			
UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
12. Dedic	ated Acres	13.	13. Joint or Infill		14. Consolidation Code			15. Order No.			
250	0.15	- (		i							Į

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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#### **OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: | MINUL | CONSTITUTE |
Title: Regulatory Compt. Spec
Date: 8/5/10

#### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Gerald Huddleston Date of Survey: 5/8/2008 Certificate Number: 6844 District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone: (505) 748-1283 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

#### State of New Mexico

Form C-102 Permit 117062

#### **Energy, Minerals and Natural Resources**

Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

_		JULI DOCKTION THERE	DIMON DEDICATION I	17121	
ľ	1. API Number	2. Pool Code	3. Pool Name		
1		79680	KUTZ PICTURED	CLIFFS, WEST (GAS)	
ſ	4. Property Code	5. Property Name		6. Well No.	
١	37223	WESTLANI	001		
Ī	7. OGRID No.	8. Operator	9. Elevation		
1	14634	MERRION OIL 8	5224		

10. Surface Location

1	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	l
	С	18	29N	13W		1269	N	1183	w	SAN JUAN	

11. Bottom Hole Location If Different From Surface

UL - Lot Section T	Fownship Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 90.15	13. Joint or Infill	14	. Consolidation (	Code		15. Order No.	

# NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

#### OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Philanic Vannyson Title: Regulatory Comp. Spec Date: 8/5/10

#### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Gerald Huddleston Date of Survey: 5/8/2008 Certificate Number: 6844

# Production Allocation Methodology Commingling of Basin Fruitland Coal Pool And West Kutz Pictured Cliffs Pool Westland Park 1 N/2 Section 18, T29N, R16W San Juan County, New Mexico

It is recommended that production be allocated between the Basin Fruitland Coal Pool and the West Kutz Pictured Cliffs Pool for the subject well based on the performance of nearby offset wells. Exhibit 1 is an Estimate Ultimate Recovery (EUR) map of a 23 section study area surrounding the subject lands. Pictured Cliffs (PC) EUR's are represented by semi-circles on the right, and Fruitland Coal EUR's are represented by semi-circles on the left of each well symbol. As can be seen from the map, while EUR's in the area vary for both formations, in general, the PC and the Fruitland Coal are statistically similar in their performance.

Type curves were made of all the currently producing wells in the 23 section study area. The Fruitland Coal type curve is shown in Figure 2 while the PC type curve is shown in Figure 3. Again, except for a slight dewatering period for the Fruitland Coal, the performance of the two zones is relatively similar. Based on the type curve, an "average" Fruitland Coal completion in the area is estimated to have an ultimate recovery of 657 MMCF and 61.4 MBbls of water, while an "average" PC completion is projected to have an ultimate recovery of 859 MMCF and 88.6 MBbls of water.

Because of the difficulty in obtaining accurate production tests during the dewatering period on the coal, and because of the inaccuracy of using these tests for allocation over the life of a well, it is recommended that production be split between the Fruitland Coal and the PC based on the "average" ultimates from the type curves. On that basis, the following allocation is recommended:

<u>Formation</u>	Gas Allocation	Water Allocation
Fruitland Coal	43.3%	40.1%
Pictured Cliffs	56.7%	59.9%

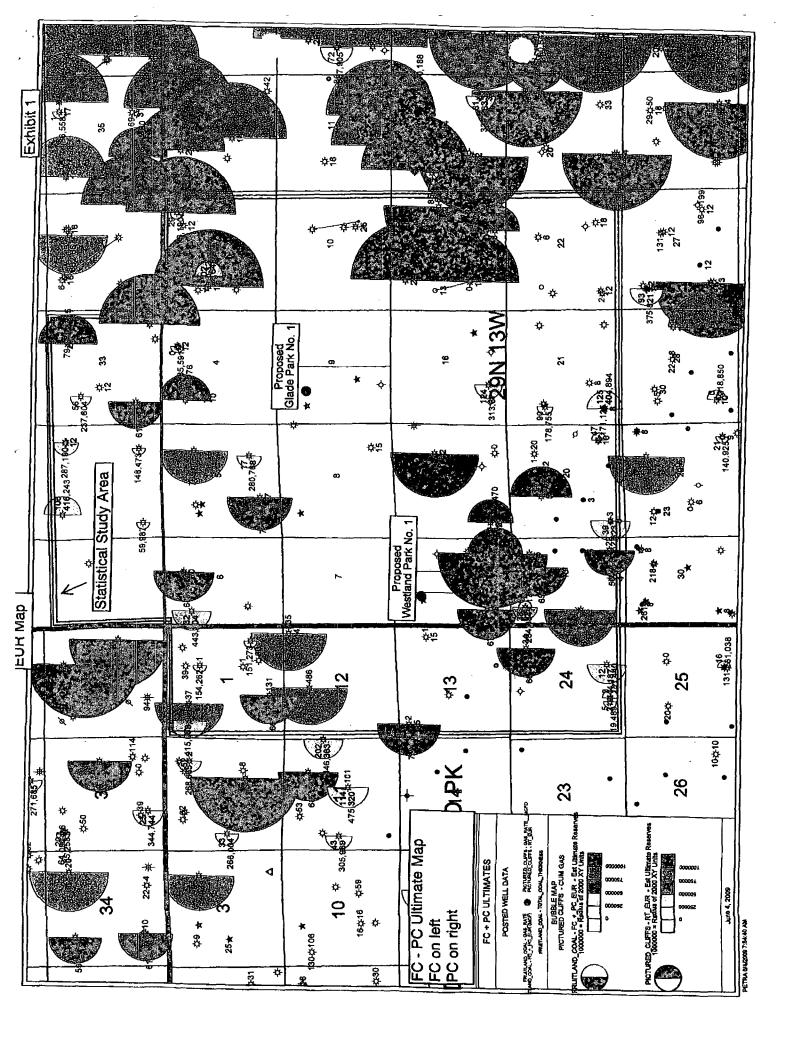


Exhibit 7

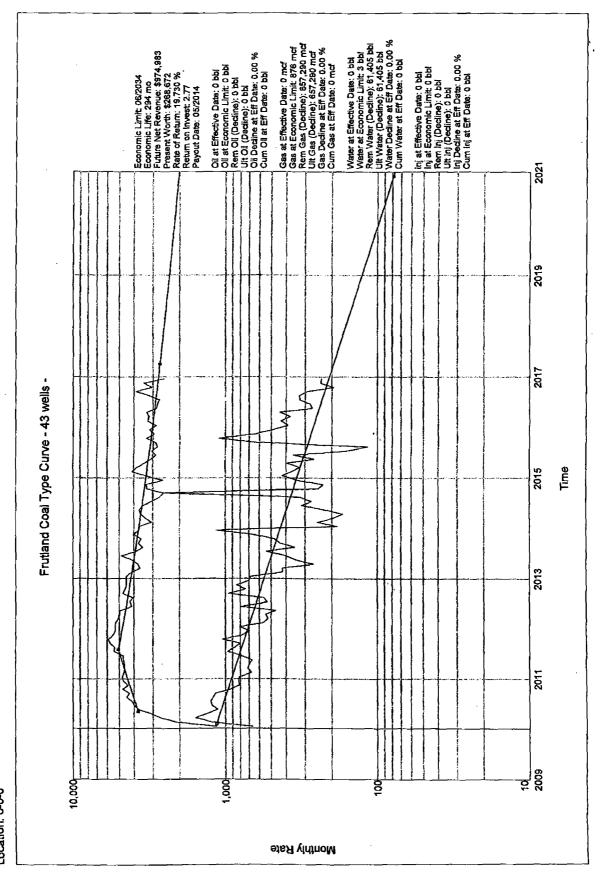
Date: 2/6/2010 Time: 10:02 AM

Fruitland Coal Type Curve

Rate/Time Graph

Lease Name: Frutland Coal Type Curve - 43 wells () County, ST: , Location: 0-0-0

Operator: Field Name:



Rate/Time Graph

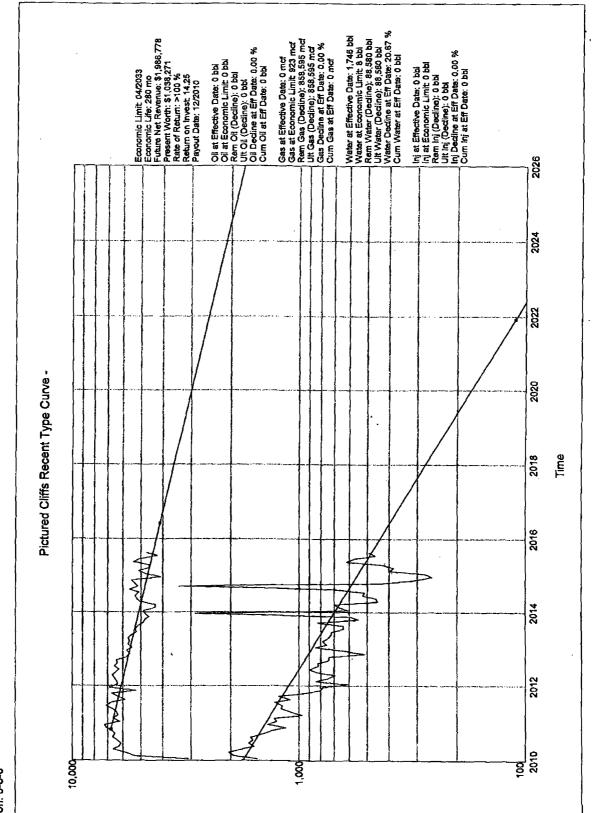
Lease Name: Pictured Cliffs Recent Type Curve () County, ST: , Location: 0-0-0

Pictured Cliffs Type Curve

Date: 2/6/2010 Time: 10:01 AM

Exhibit 9

Operator: Field Name:



Monthly Rate



Affidavit of Notification

Docket 3110 Case 14541

N <sup>1</sup> / <sub>2</sub> Section 18, T29N, R13W San Juan County NM	Exhibit 3					
Mineral Interests	Address	City	State	Zip	Acres	% of Qtr
NW1/4 -			+	-		
Christopher Schramm	307 La Cuesta Ave	Farmington	NM	87401	0.2152	
Edwin Foutz et al	4929 Prickly Pear Lane	Paradise Valley	AZ	85253	41.8100	
Merrion Oil & Gas Leased	4020 Filolog Fear Earle	r diadisc valicy		03233	42.0252	46.62%
200	200.11			07404	00.000	
City of Farmington Jack & Margaret Bowlin	800 Municipal Dr	Farmington	NM	87401	32.6000 5.1500	
Ernest C Asmus et ux	311 La Cuesta Ave	Farmington	NM	87401	0.2059	
Nita Kennedy	312 La Cuesta Ave	Farmington	NM	87401	0.1834	
XTO Energy Leased	810 Houston Street	Fort Worth	TX	76102	37.7500	41.87%
Humberto Frias	2904 La Puenta St	Farmington	NM	87401	0.2248	0.25%
Tres Tse Rocks LLC	P O Box 3015	Durango	CO	81302	10.1500	11.26%
Total Uncommitted Mineral Owners					10.3748	11.51%
Grand Total NW/4					90.1500	1.00
<u>NE1/4 -</u>						
Edwin Foutz et al	4929 Prickly Pear Lane	Paradise Valley	AZ	85253	21.9100	
Edwin Foutz et al	4929 Prickly Pear Lane	Paradise Valley	AZ	85253	13.6700	
Robert Fitz Steven & Marie Gabaldon Trust	305 La Cuesta 2014 San Juan Blvd	Farmington Farmington	NM NM	87401 87401	0.2653 1.0547	
Richard A Wilson	2800 La Salle	Farmington	NM	87401	0.2524	
Billy & Judy Harris	902 E 38th St	Tifton	GA	31794	0.2324	
Georgia Gramlich	18 Road 5287	Bloomfield	NM	87413	0.2949	
Floyd & Susan Matheny	300 La Belle Ave	Farmington	NM	87401	0.2362	
Merrion Oil & Gas (Collins)	610 Reilly Ave	Farmington	NM	87401	0.4063	
Orlando & Clarise Montoya	304 La Crosse Ave	Farmington	NM	87401	0.2244	
Abram & Priscilla Pino Max Lare	300 La Cueata 2600 Ridgeview Dr	Farmington	NM	87401	0.2335	
Merrion Oil & Gas (D Wilson)	2504½ Ridgeview Dr	Farmington Farmington	NM NM	87401 87401	2.1500 0.9100	
Robert & Roberta Fate	2504 Ridgeview Drive	Farmington	NM	87401	1.1500	
Kirk & Amy Lott	2500 Ridgeview Dr	Farmington	NM	87401	2.1800	
Christine Wright	100 Hidden Acres Dr	Farmington	NM	87401	0.6200	
Terry Ladwig	P.O. Box 926	Kamuela	HI	96743	0.4900	
Western Refining Inc	123 W Mills Ave	El Paso	TX	79901	0.7500	
Michael C & Janilee Bitsue DBL Systems 7 LLC	303 La Crosse Ave 3801 W Clarendon	Farmington	NM AZ	87401	0.2244	0.92%
Merrion Oil & Gas Leased	360 i vv Clarendon	Phoenix	AZ	85019	1.4700 48.7730	30.48%
Swenk Family Trust Synergy Leased	2533 Rio Vista Way P O Box 5513	Farmington Farmington	NM NM	87401 87499	9.3400 9.3400	5.84%
Ada Brown	334 Kiowa Dr. East	Gainsville	TX	76240	0.2548	
Kenneth Manygoats	302 La Belle Ave	Farmington	NM	87401	0.2507	
Perry Jensen	304 La Belle Avenue	Farmington	NM	87401	0.2244	
Gary & Teresa Horst	310 La Cuesta Ave	Farmington	NM	87401	0.2847	
Larry & Sondra DeWeese Martha Swaim	2812 La Puenta Street	Farmington	NM	87401	0.2979	
Thomas Strange	Westland Park Subdivision 301 La Crosse Ave	Farmington	NM	87401	0.2244 0.2578	<u> </u>
Norman & Martha Faver Rev Trust	P O Box 417	Aztec	NM	87410	15.5200	
Norman & Martha Faver Rev Trust	P O Box 417	Aztec	NM	87410		
Erick A Johnson	P O Box 1889	Farmington	NM .	87499	8.0600	
City of Farmington Carol Gene West (Adams)	Log Hormonites				2.2800	
Wayne & Betty England Trust	Los Hermanitos 2600 W Main	Farmington	NM	87401	0.9700 0.1100	
Jesse A May Jr	4465 Bella Vista Circle	Farmington	NM	87401	1.5000	
Jesse A May Jr					1.4900	
Jesse A May Jr					2.5000	
Jesse A May Jr					1.8500	
Jesse A May Jr					0.5000	
Jesse A May Jr			-		0.5000	
Jesse A May Jr Jesse A May Jr			-		1.0800 0.5000	
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D	400 D Hidden A	F	Tara a	074041	4 4000	
Raymond & Donna Frye	102 B Hidden Acres	Farmington	NM	87401	1.4200	
Raymond & Donna Frye				_	1.3100	
Raymond & Donna Frye					0.9800	
Raymond & Donna Frye					0.8200	
Raymond & Donna Frye					0.9400	
Raymond & Donna Frye					2.0300	
Raymond & Donna Frye					0.9100	
XTO Leased	810 Houston Street	Fort Worth	TX	76102	47.0647	29.42%
TI:: 0	504.4: 1.0.0: 1.405		A 18 4	07404	40.5000	0.000/
Thirftway Marketing Corp	501 Airport Dr. Suite 105	Farmington	NM	87401	10.5600	6.60%
Participating Mineral Owner					10.5600	
Object to the second se	00001 - 0-11-04	Familiant	NIN 4	07404	0.0500	0.400/
Christine Maestas	2802 La Salle St	Farmington	NM	87401	0.2596	0.16%
T K Webster	PO Box 5981	Farmington	NM	87401	0.2410	0.15%
Scott & Tammi Stimson	2714 La Salle St	Farmington	NM	87401	0.2410	0.15%
Richard Lanzi	2712 La Salle St	Farmington	NM	87401	0.2410	0.15%
Alfredo & Reyna Martinez	2710 La Salle St	Farmington	NM	87401	0.2410	0.15%
Katherine La Rue	2708 La Salle St	Farmington	NM	87401	0.2410	0.15%
Steve & Wendy Gardenhire	2704 La Salle St	Farmington	NM	87401	0.3227	0.20%
William Woodall Jr	2703 La Salle St	Farmington	NM .	87401	0.3316	0.21%
Jones Hewey	2705 La Salle St	Farmington	NM	87401	0.3934	0.25%
Achille Vitali	2708 La Puenta St	Farmington	NM	87401	0.2514	0.16%
Pauline Potter	306 La Belle Ave	Farmington	NM	87401	0.2244	0.14%
Carroll Schnabel	308 La Belle Ave	Farmington	NM	87401	0.2834	0.18%
Richard Ramos	2712 La Puenta St	Farmington	NM	87401	0.2466	0.15%
Anthony Espinosa	2802 La Puenta St	Farmington	NM	87401	0.3923	0.25%
Wesley Lattin	301 La Belle Ave	Farmington	NM	87401	0.2466	0.15%
BAC Home Loans	400 Countrywide Way SV 35	Simi Valley	CA	93068	0.2400	0.15%
Gary Clichee	302 La Crosse Ave	Farmington	NM	87401	0.2354	0.15%
Peter Klug	3507 E Campo Bello Dr	Phoenix	AZ	85032	0.2244	0.14%
Joseph Garcia	308 La Crosse Ave	Farmington	NM	87401	0.2479	0.15%
Mathew Zersen	309 La Belle Ave	Farmington	NM	87401	0.2227	0.14%
Peter Kakos	307 La Belle Ave	Farmington	NM	87401	0.2112	0.13%
Jonathon & Ivy Durfee	305 La Belle Ave	Farmington	NM	87401	0.2112	0.13%
John Haxton	303 La Belle Ave	Farmington	NM	87401	0.2152	0.13%
Anthony Marinaro	306 La Cuesta Ave	Farmington	NM	87401	0.1980	0.12%
Carol Cooper	308 La Cuesta Ave	Farmington	NM	87401	0.1980	0.12%
Nazario & Lucinda Salazar	310 La Cuesta Ave	Farmington	NM	87401	0.1980	0.12%
Jon Jacobson	2900 La Puenta St	Farmington	NM	87401	0.2467	0.15%
Carl Mitchell	309 La Crosse Ave	Farmington	NM	87401	0.2252	0.14%
Charles Sherman	307 La Crosse Ave	Farmington	NM	87401	0.2244	0.14%
Navajo Shopping Center	P O Box 77	Gamerco	NM	87317	5.4800	3.43%
T C & Sharon Shaffer	2401 Ridgeview Dr	Farmington	NM	87401	0.7800	0.49%
Leroy Riley	2403 Riverside	<del></del>	NM	87401	3.0000	1.88%
BS Enterprises	101 E. Main St	Farmington Farmington	NM	87401	1.5400	0.96%
Norman & Martha Faver Rev Trust	P O Box 417	Aztec	NM		13.0570	8.16%
	1120 Cerrillos Road	Santa Fe	NM	87410	5.5600	3.48%
NM Department of Transportation				87504		
Isaac Sing-Chearn Lim	1432 Oak Vista Way	Pleasanton	CA	94566	0.6100	0.38%
Lechuga Transporation	2501 W Main	Farmington	NM	87401	0.2900	0.18%
Bonnie Frazer	1923 Glade Rd	Farmington	NM	87401	0.9600	0.60%
Mary Mae Goodding Trust	2311 W. Apache	Farmington	NM	87401	4.1600	2.60%
Northern Properties I LLC Attn Wendy's	1515 N. Academy Blvd, #400	Colorado Springs	CO	80909	0.8200	0.51%
Ruby Leclaire	303 La Cuesta	Farmington	NM	87401	0.4100	0.26%
David Crow	301 La Cuesta	Farmington	NM	87401	0.3400	0.21%
Total Uncommitted Mineral Owners					44.2623	27.66%
T. ING.				_		
Total NE/4	·				160.0000	100.00%
TOTAL NI/2 SLIMMMATION						
TOTAL N/2 SUMMATION						00.000/
Merrion Oil & Gas Leased					90.7982	36.30%
XTO Leased					84.8147	33.91%
Synergy Leased					9.3400	3.73%
Thriftway Participating Mineral Interest					10.5600	4.22%
Total Uncommitted Mineral Owners					54.6371	21.84%
				Ī	250.1500	100.00%

COMPLÈTE THIS SECTION ON DELIVERY	A Signature  X UN Courea  Refresa Received by (Printed Name)  C. Date of Delive  Howing Lecturing A = 9-1  D. is delivery address below:  If YES, enter delivery address below:  No	3. Service Type AD Certified Mail	Domestic Return Receipt 102595-02-M-16	A Signature  A Signature  X	
SENDER: COMPLETE THIS SECTION	■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to:  Lechuga Transporation  2501 W Main Farmington, NM 87401	2. Article Number (Transfer from service label)	PS Form 3811, February 2004 Domestic	SENDER: Countrient THIS SECTION  Complete terrist 2, and 3. Also complete terrist 4. Thestreted Delivery is desired.  Frint 4. If Petertreted Delivery is desired.  Frint 5. Our name and address on the reverse soluthar welcan return the Card to you.  Article Addressed to:  Article Addressed to:  1. Article Addressed to:  Pleasanton, CA 94566  Pleasanton, CA 94566  PS Form 3811, February 2004  Domestic	
COMPLETE THIS SECTION ON DELIVERY	A. Signature  X	3. Service Type  E. Certified Mail		A. Signature  A. Signature  B. Reselved by (Printed Name)  C. Date of Delivery  D. Is delivery address different from item 17	
ĔŇĎER: COMPLETE THIŞ SECTION	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailplece, or on the front if space permits.  Article Addressed to:  Navajo Shopping Center  P O Box 77	5002	S Form 3811, February 2004 Domestic Return Receipt	SENDER: Counterer THIS SECTION  Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.  Anticle Addressed to:  Anticle Addresse	

NDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	SENDER COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece,	A. Signature  A. M. C. Date of Delivery		A. Signature  (X) HU (, n, 1) (2) (2) C Addressee  B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	or on the front if space permits.  1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes if YES, enter delivery address below: ☐ No
Michael C & Janilee Bitsue 303 La Crosse Ave Farmington, NM 87401		Pauline Potter 306 La Belle Ave Farmington, NM 87401	
	3. Service Type   Express Mail   Express Mail   Express Mail   Registered   M. Return Receipt for Merchandise   Insured Mail   D.C.O.D.   4. Restricted Delivery? (Extra Fee)   Yes		3. Service Type  D. Certified Mail
Article Number (Transfer from Service label) Form 3811 Eahring 2004  Demostric Betring Bossing	0000 0185 0225 (magasing Masan	2. Article Number (finansier from service label) (finansier from service label) PS Form 3811. Februsia 2004	960 000 01.85 0041, 10588-02-M-154
NDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete tem 4 if Restricted Delivery is desired.  Print your name and address on the reverse to that we can return the card to you. Attach this card to the back of the malipiece, are on the front if space permits.	A Mann Fr Arm D Agent  Received by (Printed Name)  C. Date of Delivery	■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if snow permits.	A. Signature  A. Signature  A. Signature  Addressee  B. Received by ( Printed Name)  C. Dabe of Delivery
Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	1. Article Addressed to:	D. is delivery address different from item 1? \( \text{Tes} \) fes If YES, enter delivery address below: \( \text{D} \) No
Jones Hewey 2705 La Salle St Farmington, NM 87401		Alfredo & Reyna Martinez 2710 La Salle St	
	Service Type     Certified Mail	Farmington, NM 87401	3. Service Type  Q. Certified Mail  D. Registered Mail  Insured Mail  C. O. D.  Insured Mail
	5		ery
Article Number 70,09 0950	0000 0185 1611	2. Article Number 7009 [	0960 0000 0185 1574
Form 3811, February 2004 Domestic Return Receipt	urn Receipt 102595-02-M-1540	Domestic Return Receipt Domestic Return Receipt	un Receipt 102595-02-M-1840

	COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	ature	<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse</li> </ul>	A Signature  X Model Sent :
so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if snace permits.	Date	so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	Received by (Printed Name) C. Di.
Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	1. Article Addressed to:	D. is delivery address different from frem 1.7 Larges of the free
Jonathon & Ivy Durfee		John Haxton 303 La Belle Ave	
Farmington, NM 87401	1	Farmington, NM 87401	Service Type     Accertified Mail
	<ul> <li>☐ Insured Mail ☐ C.O.D.</li> <li>4. Restricted Delivery? (Extra Fee) ☐ Yes</li> </ul>		iery? (E
Article Number 7009 0960	1 0000 0185 0140	2. Article Number (Transfer from service label)	1 0000 0185 0157
2004 Domestic R		PS, Form 3811, February 2004 Domestic Return Receipt	In Receipt 102595-02-M-154
ENDER: COMPLETE THIS SECTION	COMPLETE: THIS SECTION ON DELIVERY		
		SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON BELIVERY
tem 4 if Restricted Delivery is desired.  Print your name and address on the reverse	X (Zyzoto) Olu Addressee	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	A. Signature
Attach this card to the back of the mailpiece, or on the front if space permits.	Received by (Printed Name) C. Date of Delivery 8-27-3010	so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delive Nelson Hernandez
	PDA is delivery address different from item 1? LJ Yes.  PI(YES, enter delivery address below.		D. Is delivery address different from flem 1 1 1 1 1 Ves.  If YES, enter delivery address below. □ No.
My John Roll Fall May	S	BAC Home Loans	MAIN C
De non man of	NI.	400 Countrywide Way SV 35	
armington UM Brust	Service Type    Control   Control	Jiiii valley, CA'93068	3. Service Type  Certified Mail
	4. Restricted Delivery? (Extra Fee)		el y
Article Number (Transfer from service label) 7009 0960	60 0000 0185 0478	2. Article Number (Transfer from service label)	0 0000 0185 0096
Form 3811, February 2004 Domestic Return Receipt	urn Receipt 1540	PS Form 3811, February 2004 Domestic Re	stum Receipt

THIS SECTION, ON DELIVERY	Signature Charles Signature Charlesse Received by (Printers Name) C. Date of Delive Signature Carlo Ca	Service Type  C Certified Mail	102595-02-WHT6	THIS SECTION ON DELIVERY  D Agent  Male Male D'Addresse	Feceived by ( Printed Name)  C. Date of Delivery  C. C	pe d Mail	0185 0119	102535-02-M-154
IIS SECTION	complete A. Sired. X. Ihe reverse you. B. B. D.	3 4. 7009 0960 0	2004 Domestic Return Receipt	Sissection  3. Also complete any is desired. ess on the reverse	м О	3. Service Type (X. Certified Mail  I Registered  I Insured Mail  4. Restricted Delivery?	0000 0960 6002	Domestic Heturn Receipt
) SENDER: COMPLETE TH	Complete items 1, 2, item 4 if Restricted Displaying your name and so that we can return a Attach this card to the or on the front if spacin or on the front if spacin.  1. Article Addressed to:  Northern Propertical Colorado Springs	, s	PS Form 3811, February	S I		308 La Crosse Ave Farmington, NM 87401	2. Article Number (Transfer from Se	PS Form 50 II, February 2004
COMPLETE THIS SECTION ON DELIVERY	A. Signature  X C. L. L. Con pure Control Addressee B. Received by (Printed Name) C. Date of Delivery C. Date of Delivery C. Date of Delivery D. Is delivery address different (control Control Contro	3. Service Type  Certified Mail	n Receipt		B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from Item 1.2 □ Yes  (**TES 75 of 1 ***)  (**TES 75 of 1 ***)	3. Service Type  3. Service Type  Certified Mail	. 6920 5970 01	
ENDER: COMPLETE THIS SECTION	Also complete s desired. s on the reverse d to you. of the mailpiece, its.	Farmington, NM 87401  Article Number  (Transfer from service label) 7009 0960	S Form 3811, February 2004 Domestic Return Receipt	plete	Atticle Addressed to:  NM Department of Transportation	anta Fe , NM 87504	Article Number (Transfer from service label) Form 3811 Exhausy 2004	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	Signature	■ Complete items 1, 2, and 3. Also complete	A. Signature
Print your name and address on the reverse so that we can return the card to vou	MINIMICEDAMIN	item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	* Jolitham - Addre
Attach this card to the back of the mailpiece, or on the front if some nemits	B. Received by ( Printed Name) C. Date of Delivery	so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Del
Article Addressed to:	D. Is delivery address different from item 1?	or on the front if space permits.	2 E
Steve & Wendy Ganda			If YES, enter delivery address below V C IJ No
2704 La Salle St	401 201 201	Bonnie Frazer 1923 Glade Rd	501 13 13 14 NV
rafiifiigton, NM 87401	Condoo Timo	Farmington, NM 87401	
			3. Service Type  Contified Mail
	4. Restricted Delivery? (Extra Fee)		ili Iver
2. Article Number 7009 (Transfer from service label)	0960 0000 0185 1598	PUDC .	0000 0185 0256
25 Form 3811, February 2004 Domestic Return Receipt	turn Receipt 102595-02-M-1540	- \  e	um Receint 102595-02-M
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
omplete red: e reverse	Le la		A. Signature
so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	ne) C. Date	<ul> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece,</li> </ul>	B. Received by (Printed Name) C. Dateot Deliv
Article Addressed to:	D. Is delivery address different formitien in The Yes. If YES, enter delivery address before.	or on the front if space permits.  1. Article Addressed to:	ivery address diffe
Mary Mae Goodding Trust	高74 号 52 W/Wi	Carroll Charles	II IES) and dankery addies) before
Farmington, NM 87401	200	308 La Belle Ave	
	3. Service Type  A Certified Mail	Farmington, NM 87401	Service Type     Certified Mail    Express Mail     Renistened    M Behrin Bensint for Member
	Insured Mail C.O.D.     Restricted Delivery? (Extra Fee)		
(Transfer from service label) 7   1   1   1   1   1   1   1	ובכם שנם טום		The control of the co
2004 Domest	ח ח ח	Transfer from service label)	
		PS Form 38 11, February 2004 Domestic Ret	Return Receipt 102595-02-M-
			The second secon

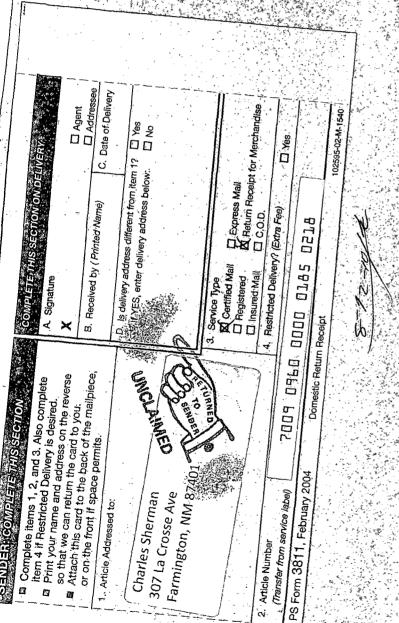
COMPLETE THIS SECTION ON DELIVERY	A. Signature  (No. Change,)  B. (Beceived by (Printed Name)  C. Date	D. is delivery address different from item 1?	3. Service Type    X Certified Mail   Express Mail   Registered   X Return Receipt for Merchandis   Insured Mail   C.O.D.   4. Restricted Delivery? (Extra Fee)   Ves	0960 0000 0185 0164	Domestic Return Receipt  Domestic Return Receipt  Complete THIS SECTION ON DEMVERY		3. Service-Type  AS-Certified Mail  C.O.D.  Restricted Daliven A. Record for Merchandis  A. Restricted Daliven A. R. C.O.D.  1 Restricted Daliven A. R. C.O.	nestic Return Receipt 102595-02-M-154
SENDER: COMPLETE THIS SECTION	■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  ■ Print your name and address on the reverse so that we can return the card to you.  ■ Attach this card to the back of the malipiece, or on the front if space permits.	1. Article Addressed to: Anthony Marinaro 306 La Cuesta Ave		7009	PS Form 3811, February 2004	tems 1, 2, and satricted Delive name and add coar return the card to the be out if space point if space to: ssed to: ssed to: group Shaffel service of the be service out if space point i	F005	
COMPLETE THIS SECTION ON DELIVERY	A. Signatury  A. Signatury  Addressee  B. Received by (Printed Name)  C. Date of Delivery	D. Is delivery address different from Item 1? ☐ Yes If YES, enter delivery address below: ☐ No	3. Service Type  (X Certified Mail   Express Mail   Registered   X Return Receipt for Merchandise   Insured Mail   C.O.D.  4. Restricted Delivery? (Extra Fee)   Yes	0960 0000 0185 0270	tum Receipt  Course THIS SECTION ON DEFINERY	A. Signature  X. M. Lev. E	3. Service Type  (M. Certified Mail   D. Express Mail   D. Expres	rn Receipt 102595-02-M-1540
ENDER: COMPLETE THIS SECTION	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the malipiece, or on the front if space permits.		Farmington, NM 87401	P007	S Form 3811, February 2004 Domestic Return Receipt  Note: Complete France For Town	nplete d. reverse i. allplece,	E 4 000 000 000 000 000 000 000 000 000	0

	IE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	SENDER: COMPLETE THIS SECTION.	COMPLETE THIS SECTION ON DELIVERY
VDER: GO	and 3. Also complete 1, pelivery is desired.	A. Signature  X. Ology, J.	■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print voir name and address on the reverse	A digrature
Somplete transfer tem 4 if Restricts Print your parties	and the card to you.		so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if some permits.	
So that we call to Attach this call to or on the training	space permiss.	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	1. Article Addressed to:	D. is delivery address different from item 1? ☐ Yes if YES, enter delivery address below: ☐ No
Article Addresses Article Addresses Article Addresses Article Addresses Article Article Address Article Addres	eting Corp		Carl Mitchell 309 La Crosse Ave	
501 Airport NM Farmington		3. Service Type  C.Certified Mail	Farmington, vivi or	3. Service Type  Certified Mail
		ery		iery? (E
	0960 6002 (leg)	0 0000 0185 0294	2. Article Number 7009 0960 (Transfer from service label)	0000 0185 0201
35	Domestic Return Receipt	um Recelpt 102595,02-M₁1540	PS Form 3811, February 2004 Domestic Return Receipt	rn Receipt 102595-02-M-1540
PS Form 3811		COMPLETE THIS SECTION ON DEILIVERY.	CENIDED CAMPICETURE	COMPLETE THIS SECTION ON DELIVERY
	CIHIS SECTION		SENDER COMPETE I IIS SECTION	
Gary Cli 302 La Cri Farmingt	and 3. Also complete Delivery is desired. address on the reverse If the card to you. The back of the mailpiece, Ce permits.	A. Signature  A Agent  Addressee  B. Received by ( Printed Name)  C. Date of Delivery	<ul> <li>Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the malipiece, or on the front if space bermits.</li> </ul>	A. Signature Agent  X
		D. is delivery address different from Item 1? ☐ Yes If YES, enter delivery address below: ☐ No	1. Article Addressed to:	D. Is delivery address different from Item 1?  If YES, enter delivery address below:
2. Article Num (Transfer fr.)	w la		BS Enterprises 101 E. Main St Farmington, NM 87401	
PS Form 38 1	2/401	Service Type     AL Certified Mail    Express Mail     Registered Mail    Receipt for Merchandise		3. Service Type  Catcher Mail  D. Registered  M. Return Receipt for Merchandise
		ery		ery? (E
	950 6002 (mg)	0960-0000 0185 0102	2. Article Number (Transfer from service label)	960 0000 0185 0300
	<sup>th</sup> y 2004 Domestic Return Receipt	turn Receipt 102595-02-M-1540	PS Form 3811, February 2004 Domestic Ret	102595-02-M-154

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G Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  D Print your name and address on the reverse at the can return the card to you.	A. Signatura  Addressee  C. Date of Delivery	
	12	
I. Article Addressed to:	if YES, enter delivery address below: LJ No (第	
301 La Crosse Ave		
Fallington, MM 0/401	3. Service Type  KD Certified Mail	
	☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? (Extra Fee) ☐ Yes	
2. Article Number (Transfer from service label)	0960 0000 0185 0393	
PS Form 3811, February 2004 Domestic Return Receipt	ım Receipt 102595-02-M-1540 الله	
Mondeschilenen (1)	GOUNTELLE AND MOTION SALES TO THE PROPERTY OF	
	A Signafare Agent X Aldressee	
So that we can return the card to you.  If Attach this card to the back of the mailpiece,		
or on the front it space permits.  1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
MO Energy		
AHD Agion Austin		
810 Houston St	<u>≡</u>	
Fort North, TX 76102-	☐ Hegistered A Heturn Heceipt for Me ☐ Insured Mail ☐ C.O.D.	
0 11	4. Restricted Delivery	
(Transfer from service label) 7009 0960 0000 PS Form 3811, February 2004 Domestic Return Receipt	UCO 01.85 0485 W/	

MERRION OIL W GAS CORP. 610 REILLY AVENUE FARMINGTON, NM 87401





2. Article Number

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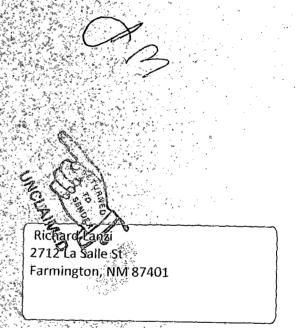


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Christine Maestas 2802 La Salle S Farmington, NM 87401 AFARION OIL & CAS CORR 370 REILLY AVENUE FARMINGTON, NM-8740]

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1. Article Addressed to:

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2. Article Number

WERRION OIL & GAS CORE BARMINGTON, NM 87401

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D. Is delivery address different from Item 1? LYES, enter delivery address below:

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A. Signature

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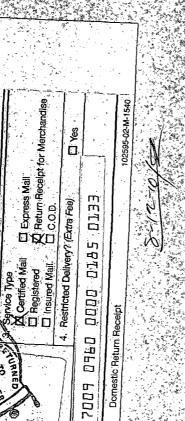
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Farmington, NM 87.

307 La Belle Ave

Peter Kakos

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PS Form 3811, February 2004

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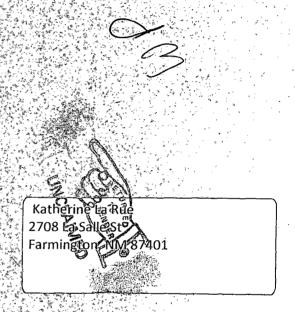
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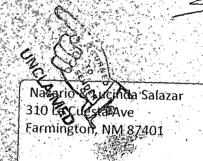
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MERRION OIL & GAS CORP. 610 REILLY AVENUE FARMINGTON; NM 87401

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Affidavit of Notification
Docket 3110 Case 14541
Exhibit 5

## Westland Park Notification Tracking - N2 Sec 18-29N-13W

	1	1	1	I
			Sent to new	
			address /	
Name	RR	not delivered	owner	Returned 2nd time
Achille Vitali	x			
Alfredo & Reyna Martinez	х			
Anthony Espinosa	x			
Anthony Marinaro	x			
BAC Home Loans	x		<u> </u>	
Bonnie Frazer	x			
BS Enterprises	x			
Carl Mitchell	×			
Carol Cooper	-   <u>^</u>			
Carroll Schnabel	x			
Charles Sherman	<del>-  ^</del>	×	unclaimed	
Christine Maestas		x	х	
David Crow	×		<del> ^</del>	
DBL Systems 7 LLC	x		<del> </del>	
Gary Clichee	×			
Isaac Sing-Chearn Lim	^x		<del> </del>	
John Haxton	×		+	
Jon Jacobson			unclaimed	
Jonathon & Ivy Durfee	<u> </u>	x	unciaimed	
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Jones Hewey	X		+	
Joseph Garcia	X		<del>                                     </del>	
Katherine La Rue		X	unclaimed	,
Lechuga Transporation	X			
Leroy Riley	x		-	
Mary Mae Goodding Trust	×			
Mathew Zersen	x ·			
Michael C & Janilee Bitsue	X			
Navajo Shopping Center	X			
Nazario & Lucinda Salazar		X	unclaimed	
NM Department of Transportation	х		<u> </u>	
Norman & Martha Faver Rev Trust	х			
Northern Properties I LLC Attn Wendy's	х			
Pauline Potter	х			
Peter Kakos	_	X	unclaimed	
Richard Lanzi		х	unclaimed	
Richard Ramos	x			
Ruby Leclaire	х			
Scott & Tammi Stimson		х	unclaimed	
Steve & Wendy Gardenhire	х			
T C & Sharon Shaffer	х			
T K Webster		x	х	
Thirftway Marketing Corp	x		<u> </u>	
Thomas Strange	x			
Tres Tse Rocks LLC		х	unclaimed	
Wesley Lattin		х	х	
William Woodall Jr		х	unclaimed	
Humberto Frias		х	unclaimed	

#### AFFIDAVIT OF PUBLICATION

Ad No. 65090

### STATE OF NEW MEXICO County of San Juan:

CONNIE PRUITT, being duly sworn says: That she is the ADVERTISING DIRECTOR of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Thursday, September 2, 2010

And the cost of the publication is \$78.20

9/10/10 CONNIE PRUITT appeared before me, whom I know personally to be the person who signed the above document.

My Commission Expires - //

Affidavit of Notification Case 14541 Docket 3110 Exhibit 6

#### **COPY OF PUBLICATION**

NOTIFICATION OF CASE #14541
APPLICATION OF MERRION OIL
AND GAS CORP.
FOR COMPULSORY POOLINGWESTLAND PARK #1 AND #2 SIN FRUITLAND COAL AND GAS NW/4 SECTION 18, T29N, R13W, SAN JUAN COUNTY, NEW MEXICO

To: All Uncommitted Interest Owners

Merrion Oil and Gas Corp. is scheduled to present the subject case at the New Mexico — Oil — Conservation — Division (NMCOD) Examiner Hearing on September 16, 2010. Interested parties may participate in the hearing on this application by appearing at 8:15 a.m. on September 16, 2010 at the NMCOD hearing room located at 1220 S. St. Francis Dr., Santa Fe, NM 87505. The rules of the NMCOD require that any party desiring to participate in the hearing file a prehearing statement at the same address not later than 5:00 p.m. on Thursday, September 9, 2010. Questians about the compulsary pooling process or about the application in this case may be directed to George Sharpe at Merrion at 324-5314, or to the NMCOD at 505-476-3458.

Legal No. 65090 published in The Dally Times on September 2, 2010.