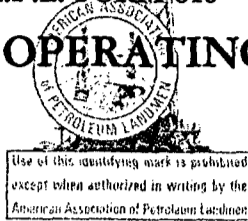


Powell No. 1  
Havasu No. 1

A.A.P.L. FORM 610 - 1989  
**MODEL FORM OPERATING AGREEMENT**



**OPERATING AGREEMENT**

**DATED**

February 1, 19 97,

**OPERATOR** Merrion Oil & Gas Corporation

**CONTRACT AREA** Township 32 North, Range 13 West, NMPM

Section 22: All

As to the Fruitland Coal formation

**COUNTY OR PARISH OF** San Juan, **STATE OF** New Mexico

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AMERICAN ASSOCIATION OF PETROLEUM  
LANDMEN, 4100 FOSSIL CREEK BLVD.  
FORT WORTH, TEXAS, 76137, APPROVED FORM.  
A.A.P.L. NO. 610 - 1989**

NMOCD Examiner Hearing  
May 1, 1997  
Docket No. 13-97  
Case No. 11767  
Exhibit No. 6