

May 1, 1997

Docket No. 13-97

Case No. 11767

Exhibit No. 5

Merrion Oil & Gas Corporation
Authority for Expenditure (AFE)
Drilling Well Cost Estimate

AFE No. 97006 AFE Type: 1
 Accounting Well No.
 Location: 1850' nri & 790' fci (see ne)
 Sec 22, T32N, R13W
 County: San Juan State: NM

Lease: POWELL
 Project: Drill Fruitland Coal Well
 Lease No: Communitized
 Spacing: 320 Acres
 Unit:

Well No: 1
 Field: Basin Fruitland
 TD: 720 ft
 Operator: Merrion Oil & Gas
 By: Steven S. Durn

THE COST ESTIMATE BELOW IS A PLANNING ESTIMATE ONLY. PARTNER'S SHARE OF PROJECT COST WILL EXTEND TO ACTUAL COSTS INCURRED

Division of Interest:	Owner Share of		To Casing Point		After Casing Point	
	Dry Hole	Completed	WI	NRI	WI	NRI
1) MERRION OIL & GAS CORPORATION	\$ 36,289	\$ 126,541	55.420290%	46.858010%	55.420290%	46.858010%
2) BURLINGTON RESOURCES	\$ 16,370	\$ 57,083	25.000000%	21.875000%	25.000000%	21.875000%
3) J. GREG MERRION REVOCABLE TRUST	\$ 4,839	\$ 16,872	7.389380%	6.247730%	7.389380%	6.247730%
4) MERRION PETROLEUM CORP.	\$ 2,419	\$ 8,436	3.694680%	3.123870%	3.694680%	3.123870%
5) T. GREG MERRION	\$ 788	\$ 2,742	1.200780%	1.015270%	1.200780%	1.015270%
6) MICHAEL MERRION	\$ 788	\$ 2,742	1.200780%	1.015270%	1.200780%	1.015270%
7) STEVEN DURN	\$ 788	\$ 2,742	1.200780%	1.015270%	1.200780%	1.015270%
8) GEORGE SHARPE	\$ 788	\$ 2,742	1.200780%	1.015270%	1.200780%	1.015270%
9) MICHAEL BARNES	\$ 728	\$ 2,531	1.108400%	0.937180%	1.108400%	0.937180%
10) ESTATE OF HAROLD FIELDS	\$ 724	\$ 2,526	1.106250%	1.106250%	1.106250%	1.106250%
11) PAUL LONG	\$ 484	\$ 1,687	0.738940%	0.624780%	0.738940%	0.624780%
12) CRYSTAL WILLIAMS	\$ 484	\$ 1,687	0.738940%	0.624780%	0.738940%	0.624780%
13) ROYALTIES & OVERRIDES				14.541340%		14.541340%
TOTAL	\$ 65,480	\$ 228,330	100.000000%	100.000000%	100.000000%	100.000000%

Intangibles - Drilling (1605)		Dry Hole	Completed
230 ROW Acquisition & Surface Damages		\$ 18,000	\$ 18,000
220 Survey, Archaeology, Permitting		\$ 2,000	\$ 2,000
201 Drilling Rig Footage Cost	720 feet @	\$ 9,700	\$ 9,700
202 Daywork	1 days @ \$3,800 per day	\$ 3,800	\$ 3,800
203 Location Construction, Anchors, Pit Liner, Fence		\$ 3,500	\$ 3,500
204 Cement & Cementing Surface Casing		\$ 2,800	\$ 2,800
204 Long String		\$ 3,500	\$ 4,000
206 Open Hole Surveys		\$ 4,000	\$ 4,000
207 Legal Fees & Hearing		\$ 3,500	\$ 3,500
208 Drilling Supervision	3 days @ \$350 per day	\$ 1,050	\$ 1,050
210 Miscellaneous		\$ 1,500	\$ 1,500
211 Trucking		\$ 350	\$ 1,000
212 Drilling Water		\$ 250	\$ 250
212 Drilling mud		\$ 1,250	\$ 1,250
213 Administrative & General Expense	12 days @ \$115 per day	\$ 1,380	\$ 1,380
Contingency	5%	\$ 2,800	\$ 2,900
Total Intangibles - Drilling		\$ 59,380	\$ 60,630

Intangibles - Completion (1610)		Dry Hole	Completed
301 Completion Rig	8 days @ \$1,950 per day	\$ 15,600	\$ 15,600
303 Perforating & Logging		\$ 2,500	\$ 2,500
304 Stimulation		\$ 60,000	\$ 60,000
306 Location Cleanup		\$ 2,500	\$ 1,250
308 Company Supervision	12 days @ \$350 per day	\$ 350	\$ 4,200
309 Roustabouts... Hookup Equipment on Location	4 days @ \$900 per day	\$ 3,600	\$ 3,600
309 Roustabouts... Install Gas & Water Lines	8 days @ \$900 per day	\$ 7,200	\$ 7,200
309 Welder... Hookup Equipment on Location	2 days @ \$350 per day	\$ 700	\$ 700
309 Welder... Install Gas & Water Lines	4 days @ \$350 per day	\$ 1,400	\$ 1,400
310 Bit & Scraper		\$ 1,000	\$ 1,000
310 Tool, tbg & equipment Rental		\$ 1,000	\$ 1,000
310 Tank & Miscellaneous rentals		\$ 500	\$ 500
311 Water (includes trucking)		\$ 3,000	\$ 3,000
311 Trucking		\$ 1,000	\$ 1,000
Contingency	2.0%	\$ 2,850	\$ 2,000
Total Intangibles - Completion		\$ 2,850	\$ 104,950
Total Intangibles - Drilling & Completion		\$ 62,230	\$ 165,580

Tangibles - Drilling & Completion (1640)		Dry Hole	Completed
805 Casing Surface	8-5/8" 24# 200 feet @ \$ 9.25 per foot	\$ 1,900	\$ 1,900
806 Production	5-1/2 15.5# 720 feet @ \$ 4.75 per foot	\$ 3,400	\$ 3,400
811 Tubing	2-7/8" 6.5# EUE J55 used 700 feet @ \$ 2.12 per foot	\$ 1,500	\$ 1,500
851 Flowline	3" Line Pipe 500 feet @ \$ 1.50 per foot	\$ 800	\$ 800
851 Gas Line	3" Line Pipe 4,500 feet @ \$ 1.50 per foot	\$ 6,800	\$ 6,800
851 Water Line	3" Line Pipe 4,500 feet @ \$ 1.50 per foot	\$ 6,800	\$ 6,800
827 Sucker Rods	3/4" SM Cplg, used 700 feet @ \$ 0.97 per foot	\$ 700	\$ 700
820 Wellhead equipment		\$ 850	\$ 3,500
815 Float equipment		\$ 500	\$ 2,500
830 Bottomhole Pump		\$ 1,350	\$ 1,350
836 Pumping Unit & Engine	114 API used w/ engine	\$ 15,000	\$ 15,000
840 Tank & Separator		\$ 15,000	\$ 15,000
880 Fittings, valves, fencing, concrete & miscellaneous		\$ 3,000	\$ 3,000
896 Miscellaneous		\$ 500	\$ 500
Total Tangibles		\$ 3,250	\$ 62,750
Total Estimated Cost		\$ 65,480	\$ 228,330

Approved: T. Greg Merrion
 Merrion Oil & Gas Corporation

Date: 3-5-97

Approved: _____
 Partner

Date: _____