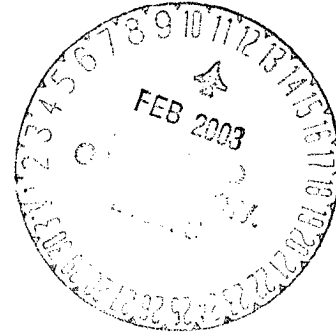


MERRION

OIL & GAS

February 10, 2003

Mr. Frank Chavez
Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410



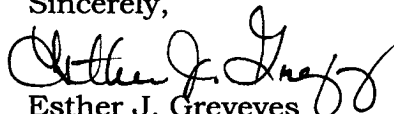
Dear Frank:

Oil was transferred from the following location to hot oil:

<u>Date</u>	<u>From Well Location</u>	<u>Bbls Transferred</u>	<u>To Well Location</u>
1-16-03	Canyon Largo Unit 357 Lease: SF-078875 P-29-25N-06W	30-039-2338650 ✓	Canyon Largo Unit 343 Lease: SF-078875 K-29-25N-06W

Transporter was Merrion Oil & Gas Corp.

Sincerely,


Esther J. Greyeyes
Drlg & Prod Tech

Attachment - Run Ticket

XC: Files
Earleen Sullivan

Mexxon oil - Gas

COMPANY

ACCT. NO. _____ RUN TICKET NO. 18

DIST. NO. _____ DATE H1603

OPERATOR Mexxon oil - Gas

LEASE NAME Clu 357 LEASE NO. 357

WELL NO.'S	1ST MEAS.	FT.	INCHES	TEMP.	BBL'S.
<u>357</u>		<u>9</u>	<u>7</u>		<u>192.00</u>
TANK NO. <u>64210</u>	2ND MEAS.	<u>7</u>	<u>1</u>		<u>142.00</u>
TANK SIZE <u>400</u>	GRAVITY				TOTAL
	OBSERVED	TEMP.	TRUE		<u>50.00</u>
					PRICE
B. S. & WATER <u>10%</u>	OFF ← SEAL NO.'S → ON				AMOUNT
	<u>526797</u>	<u>032111</u>			
THIEFING	BEFORE	AFTER	CALCULATIONS		
FT. - IN.			<u>50 Bbls sold to Clu</u>		
B. S. & WATER			<u>343 Rig work</u>		
REMARKS					
1ST MEAS.	DATE	GAUGER			
	<u>1-16-03 am</u>	<u>P.B.H.</u>			
	TIME	WELL OWNER'S WITNESS			
	<u>1-16-03</u> A.M. P.M.	<u>[Signature]</u>			
2ND MEAS.	DATE	GAUGER			
	<u>1-16-03</u>	<u>P.B.H.</u>			
	TIME	WELL OWNER'S WITNESS			
	<u>1-16-03</u> A.M. P.M.	<u>[Signature]</u>			

This ticket covers all claims for allowance. The oil represented by this ticket was received and run as property of