

JUN 06 2008

**WATER WELL CONVERSION  
RELEASE AGREEMENT**

RCVD JUL 8 '08  
OIL CONS. DIV.

DIST. 3

STATE OF NEW MEXICO )  
 )  
COUNTY OF RIO ARRIBA )

30-039-29389

**KNOW ALL MEN BY THESE PRESENTS**

THAT Merrion Oil and Gas Corporation drilled the Bunny Tracks #1 well on June 30, 2005 on the following described location:

SW/4 NW/4 Section 14, T24N, R2W  
Rio Arriba County, New Mexico

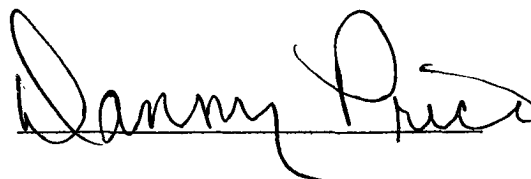
This location consists of a N/2 dedication for the Fruitland Coal Formation and a NW/4 dedication for Gavilan Pictured Cliffs formation, which utilizes Federal Minerals against USA NMNM-106650 and Fee Surface. This fee surface is owned by Danny R. Price with a mailing address of Post Office Box 56, Lindrith, New Mexico 87029.

Through a series of Assignments, Benson-Montin-Greer Drilling Corporation with a mailing address of 4900 College Boulevard, Farmington, New Mexico 87402 now owns a portion of the minerals and operates the Bunny Tracks #1 well. An economic decision has been made to plug and abandon the Bunny Tracks #1 well and Danny R. Price is requesting the wellbore be converted to a water supply well for his use. A balanced plug has been set a 1599' or the Nacimiento Formation, in compliance with the Bureau of Land Management rules and regulations.

This Release Agreement is being executed by Danny R. Price, to notify the Bureau of Land Management, the Lessee of Record of NMNM-106650, the other working interest owners of the lease and Benson-Montin-Greer Drilling Corporation, as Operator that they are released and discharged from any further work or responsibility in relation to the plugging of Bunny Tracks #1 well.

IN WITNESS WHEREOF, this instrument is executed the 15 day of MAY, 2008.

DANNY R. PRICE

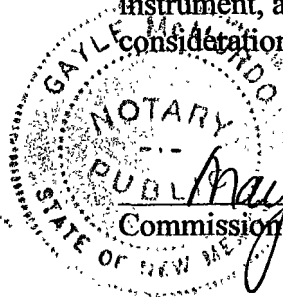


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ACKNOWLEDGMENT

STATE OF NEW MEXICO )  
COUNTY OF San Juan ) ss.

Before me, the undersigned authority, on this day personally appeared **DANNY R. PRICE** known to me to be the individual whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration herein expressed.



Gayle McQuinn  
Notary Public

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