



June 18, 2008

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

CERTIFIED RETURN RECEIPT

**RE: Application for Compulsory Pooling
Westland Park #1 & 2 Wells
Basin Fruitland Coal Pool
N/2 Section 18, T29N R13W
San Juan County, New Mexico**

Dear Ms Davidson:

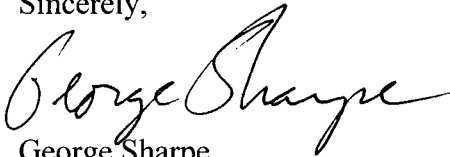
Merrion Oil & Gas plans to drill the Westland Park #1 and #2 wells to develop the Fruitland Coal in the N/2 of Section 18, T29N, R13W within the city limits of Farmington. Because we are within the city limits, the spacing unit is made up of many dozens of fee tracts. We are in the process of trying to obtain leases on all the tracts but anticipate that we will not be totally successful. In addition, not all of the working interest owners have committed to drilling the wells. Therefore, Merrion requests your approval for compulsory pooling of these interests for the drilling of the wells. **We request that this matter be set for hearing on your August 14, 2008 docket**, which will give Merrion additional time to negotiate with the mineral and leasehold owners and provide them adequate opportunity to decide whether to lease and/or participate.

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.

Attached is a list of all unleased mineral owners and uncommitted working interest 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,

A handwritten signature in cursive script that reads "George Sharpe".

George Sharpe
Manager, Oil & Gas Investments
505-324-5314
gsharpe@merrion.bz

cc Aztec NMOCD
Tommy Roberts

Unleased Mineral Interests
N¹/₂ Section 18, Township 29 North,
Range 13 West, San Juan County NM

	Address	City	State	Zip	Acres
City of Farmington	800 Municipal Dr	Farmington	NM	87401	32.600
NM Department of Transportation	1120 Cerrillos Road	Santa Fe	NM	87504	4.532
DBL Systems 7 LLC	3801 W Clarendon	Phoenix	AZ	85019	1.49
Northern Properties I LLC Attn Wendy's	1515 N. Academy Blvd	Colorado Springs	CO	80909	0.82
Mr. Terry Ladwig	P.O. Box 926	Kamuela	HI	96743	0.4873
Mary Mae Goodding Trust	2311 W. Apache	Farmington	NM	87401	4.16
Nygren Investment	816 Crestview Dr	Farmington	NM	87401	0.56
Lechuga Transporation	2501 W Main	Farmington	NM	87401	0.36
Mr. & Mrs. Norman Faver	1028 West Main St	Farmington	NM	87401	13.77
Thriftway Marketing Corp.	501 Airport Dr. Suite 105	Farmington	NM	87401	5.539
Max Lare	2600 Ridgeview Dr	Farmington	NM	87401	2.15
Delbert Wilson	2504 ¹ / ₂ Ridgeview Dr	Farmington	NM	87401	1
Kirk Lott	2500 Ridgeview Dr	Farmington	NM	87401	2.15
Christine Wright	100 Hidden Acres Dr	Farmington	NM	87401	0.64
Bonnie Frazer	1923 Glade Rd	Farmington	NM	87401	0.96
Navajo Shopping Center	P O Box 77	Gamercio	NM	87317	5.66
B & S Enterprises	101 E. Main St	Farmington	NM	87401	1.44
Mr. T.C. Shaffer	2401 Ridgeview Dr	Farmington	NM	87401	0.78
Leroy Riley	2403 Riverside	Farmington	NM	87401	3
Mr. William Woodall Jr.	2703 La Salle St	Farmington	NM	87401	0.3316
Mr. Jones Hewey	2705 La Salle St	Farmington	NM	87401	0.3934
Mr. Steve Gardenhire	2704 La Salle St	Farmington	NM	87401	0.3227
Mr. Billy Harris	2706 La Salle St	Farmington	NM	87401	0.2809
Mr. William La Rue	2708 La Salle St	Farmington	NM	87401	0.2410
Mr. Alfred Martinez	2710 La Salle St	Farmington	NM	87401	0.2410
Mr. Richard Lanzi	2712 La Salle St	Farmington	NM	87401	0.2410
Mr. Scott Stimson	2714 La Salle St	Farmington	NM	87401	0.2410
Mr. T K Webster	PO Box 5981	Farmington	NM	87401	0.2410
Mr. Thomas Strange	301 La Crosse Ave	Farmington	NM	87401	0.2578
Ms. Ada Brown	334 Kiowa Dr. East	Gainsville	TX	76240	0.2548
Ms. Christine Maestas	2802 La Salle St	Farmington	NM	87401	0.2596
Mr. Abram Pino	300 La Cuetsa Ave	Farmington	NM	87401	0.2335

Unleased Mineral Interests
N¹/₂ Section 18, Township 29 North,
Range 13 West, San Juan County NM

Mr. Anthony Marinaro	306 La Cuesta Ave	Farmington	NM	87401	0.1980
Ms. Carol Cooper	308 La Cuesta Ave	Farmington	NM	87401	0.1980
Mr. Nazario Salazar	310 La Cuesta Ave	Farmington	NM	87401	0.1980
Ms. Nita Kennedy	312 La Cuesta Ave	Farmington	NM	87401	0.1966
Mr. Humberto Frias	2904 La Puerta St	Farmington	NM	87401	0.2249
Mr. Jon Jacobson	2900 La Puerta St	Farmington	NM	87401	0.2467
Mr. Carl Mitchell	309 La Crosse Ave	Farmington	NM	87401	0.2252
Mr. Charles Sherman	307 La Crosse Ave	Farmington	NM	87401	0.2244
Mr. Samuel Medrano	303 La Crosse Ave	Farmington	NM	87401	0.2244
Veterns Affairs	810 Vermont Ave NW	Washington	DC	20420	0.3000
Mr. Gary Clichee	302 La Crosse Ave	Farmington	NM	87401	0.2354
Mr. Orlando Montoya	304 La Crosse Ave	Farmington	NM	87401	0.2244
Mr. Peter Klug	306 La Crosse Ave	Farmington	NM	87401	0.2244
Mr. Joseph Garcia	308 La Crosse Ave	Farmington	NM	87401	0.2479
Mr. Jose Alberto Ponce	309 La Belle Ave	Farmington	NM	87401	0.2227
Mr. Peter Kakos	307 La Belle Ave	Farmington	NM	87401	0.2112
Mr. Jonathon Durfee	305 La Belle Ave	Farmington	NM	87401	0.2112
Mr. John Haxton	303 La Belle Ave	Farmington	NM	87401	0.2152
Mr. Wesley Lattin	301 La Belle Ave	Farmington	NM	87401	0.2466
Mr. Floyd Matheny	300 La Belle Ave	Farmington	NM	87401	0.2362
Mr. Richard Potter	306 La Belle Ave	Farmington	NM	87401	0.2244
Ms. Anna Chacon	308 La Belle Ave	Farmington	NM	87401	0.2834
Mr. Anthony Espinosa	2802 La Puerta St	Farmington	NM	87401	0.3923
Mr. Richard Ramos	2712 La Puerta St	Farmington	NM	87401	0.2976
Mr. Achille Vitali	2708 La Puerta St	Farmington	NM	87401	0.2514
Mr. Robert Fitz	205 La Cuesta	Farmington	NM	87401	0.2653
Christopher Schramm	307 La Cuesta Ave	Farmington	NM	87401	0.2152
Billy Harris	2706 La Salle St	Farmington	NM	87401	0.2809
Nancy Olguin & Angel Miguel	2805 La Salle	Farmington	NM	87401	0.2400

Total Unleased Acreage

92.5995