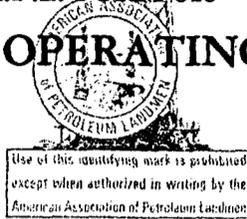


Powell No. 1
Havasu No. 1

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