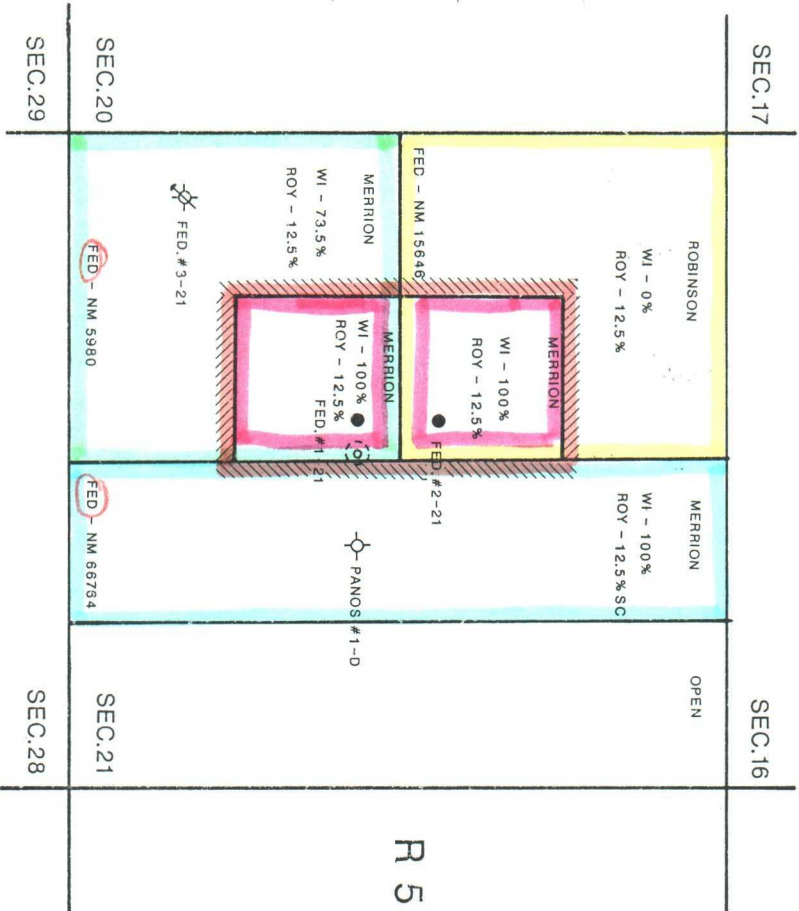


EXHIBIT NO.1

T 20 N



MERRION OIL & GAS CORP.
 LEASE OWNERSHIP PLAT
 OJO ENCINO ENTRADA FIELD
 MCKINLEY CO., N.M.

R 5 W

SCALE: 1" = 1000'




MERRION OIL & GAS CORP.
 CASE: #8989
 SEPT. 17, 1986
 EXHIBIT NO. 1

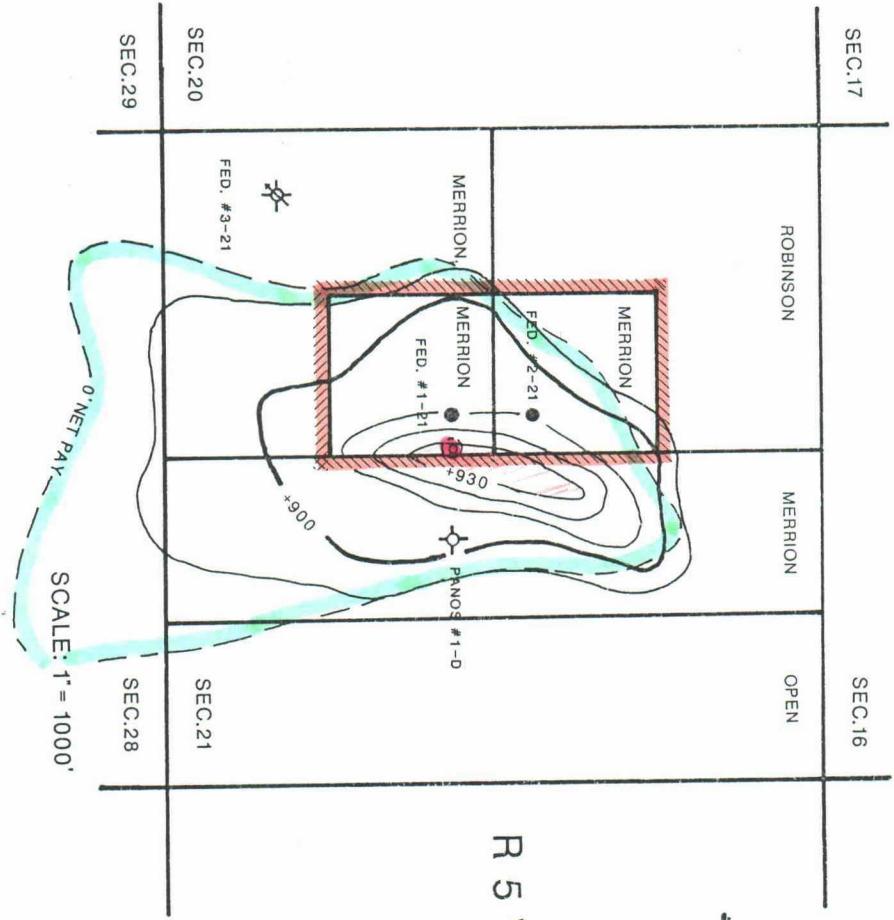
Exhibits 1 through 6
 Complete set

EXHIBIT No.2

T 20 N

LEGEND

-  -OUTLINE OJO ENCINO POOL
-  -PROPOSED UNORTHODOX LOCATION
-  -ESTIMATED EXTENT OF OIL SATURATION



*** EXHIBIT NO. 3 ***

MERRION OIL & GAS

I. - AVERAGE RECOVERY EXPECTED FROM AN ENTRADA RESERVOIR IS 34 % OF THE OIL IN PLACE.

II. - OJO ENCINO POOL HAS RECOVERED 9% OF THE OIL IN PLACE.

III. - ADDITIONAL RECOVERY POTENTIAL IS 25% OF THE OIL IN PLACE, OR 240,000 Bbl.

**ENTRADA FIELDS
OIL RECOVERY SUMMARY**

FIELD NAME	CUM. OIL IN PLACE MBbls	CUM. PRODUCED MBbls (1)	EST ULTIMATE RECOVERY MBbls	RECOVERY FACTOR-%
ARENA BLANCA	945	10	343	36
EAGLE MESA	3,845	1,066	1,076	28
LEGGS	550	210	210	38
PAPERS WASH	4,482	1,381	1,481	33
<hr/>				
OJO ENCINO	959	89	89	9

(1) - Production thru Jan. 1986

<p>MERRION OIL & GAS EXHIBIT NO. 3 Case No. 8989 September 17, 1986</p>

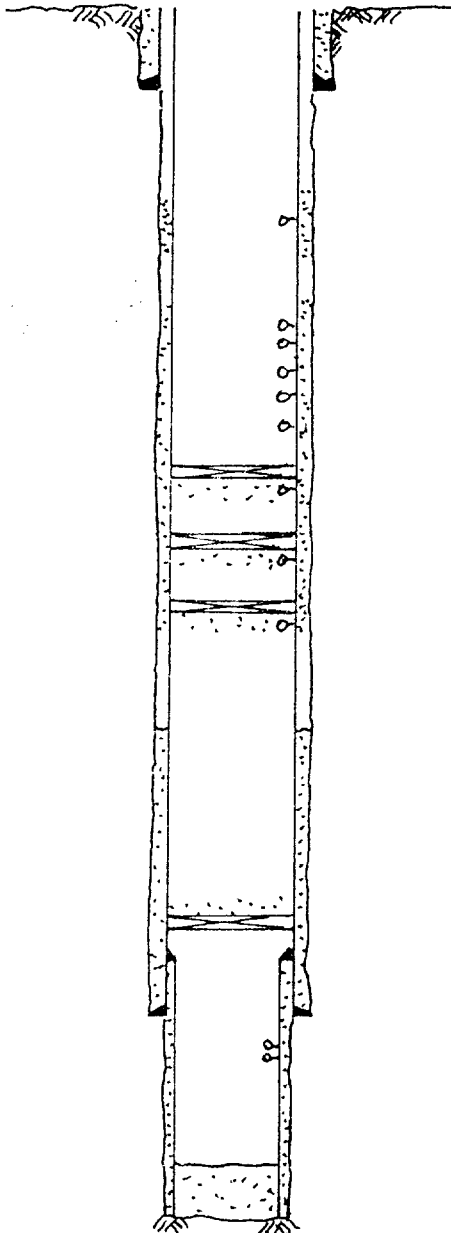
*** EXHIBIT NO. 4 ***

**MERRION OIL & GAS
WELLBORE SCHEMATIC**

Federal No. 21-1
Ojo Encino Entrada

Location: 2310' fsl & 2310' fwl
Sec.21, T20N, R5W
McKinley Co., New Mexico

Elevation: 6775' G.L.
6787' K.B.



TOC @ Surface
Bit Size-15"
10.75" 40.5 lb/ft Surface Casing @ 215' KB w/ 200 sx

Bit Size-8.75"

Squeeze Holes @ 1860' KB w/100 sx

Menefee Perfs - 2058-2268' gross interval

Bridge Plug @ 2280'KB

Retainer @ 2300'KB

Retainer @ 2350'KB

TOC @ 3575'KB - Temp.Survey

Bridge Plug @ 5600'KB

Liner Top @ 5690'

7" 23 lb/ft J-55 LT&C @ 5870'KB w/ 440sx
Entrada Perfs @ 5877-85KB w/2Pf, 16 holes

PBTD @ 6032'KB

4.5" Liner @ 6109'KB w/50 sx

TD @ 6110'KB - Bit size - 6.125"

MERRION OIL & GAS
EXHIBIT NO. 4
Case No. 8989
September 17, 1986

*** EXHIBIT NO. 5 ***

ECONOMICS TO SUPPORT UNORTHODOX LOCATION

*CASE I - DRILL TO A BETTER GEOLOGIC POSITION
(Recovery Factor - 30%)*

CASE II - PRODUCE ENTRADA IN PRESENT LOCATION

	<i>CASE I</i>	<i>CASE II</i>
<i>Oil Reserves Gross Bbls (Decline Estimate)</i>	194,203	59,245
<i>Estimated Economic Life - Years</i>	10	4
<i>TOTAL INCOME:</i>	<i>\$3,542,937</i>	<i>\$980,211</i>
<i>Drilling and Lease Equipment Cost</i>	<i>\$235,399</i>	<i>\$151,635</i>
<i>Operating Cost (\$11,000/Mo.)</i>	<i>\$1,622,415</i>	<i>\$561,806</i>
<i>State Tax</i>	<i>\$227,916</i>	<i>\$69,529</i>
<i>TOTAL EXPENSE:</i>	<i>\$2,085,730</i>	<i>\$782,970</i>
<i>Profit (Before Federal Tax)</i>	<i>\$1,457,207</i>	<i>\$197,241</i>
 <i>CONCLUSION:</i>	 <i>Satisfactory</i>	 <i>Unsatisfactory</i>

Production Decline Parameters

	<i>CASE I</i>	<i>CASE II</i>
<i>Initial Rate (Bbl/Day)</i>	184	82
<i>Decline Rate (%/Month)</i>	4	3

<p>MERRION OIL & GAS EXHIBIT NO. 5 Case No. 8989 September 17, 1986</p>

*** EXHIBIT NO. 6 ***
MERRION OIL & GAS

COST OF DRILLING A NEW WELL
VS
DIRECTIONAL DRILL EXISTING WELL

MERRION OIL & GAS
EXHIBIT NO. 6
Case No. 8989
September 17, 1986

