NMOCD Examiner Hearing August 21, 2008

Docket #2808 Case # 14163

Exhibit 5

Authorization for Expenditures

AUTHORIZATION FOR EXPENDITURE COST ESTIMATE

AFE No: 02915 AFE Type: DRLNG Lease: Westland Park 1 Field Name:
Acct Well No: 1274 Project: Westland Park 1 Drill FC/PC
Lease No: Operator: Merrion Oil & Gas Total Depth: 1,100
Location: Sec. 18, T029-N, R013-W NW/4 County: San Juan State: NM By: Connie Dinning

The Cost Estimate below is a planning estimate ONLY. Partner's share of project cost will extend to actual costs incurred.

Owner Code	Owner Name	Working Interest	Drilling	Completion		Total
	Total:	0.000000%	$0	$0	$0	$0

		Drilling		Completion				
Intangible Costs - Drilling		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
10.200	Surveying & Permitting	$30,000	$0	$0	$0	$0	$0	$30,000
10.201	Surface Damages & R.O.W.	$55,000	$0	$0	$0	$0	$0	$55,000
10.202	Locations & Roads	$15,000	$0	$0	$0	$0	$0	$15,000
10.205	Drilling Rig	$60,000	$0	$0	$0	$0	$0	$60,000
10.207	Water & Mud Materials	$10,000	$0	$0	$0	$0	$0	$10,000
10.209	Casing Crews	$2,000	$0	$0	$0	$0	$0	$2,000
10.211	Logging Open Hole & Mud	$10,000	$0	$0	$0	$0	$0	$10,000
10.212	Cementing	$15,000	$0	$0	$0	$0	$0	$15,000
10.218	Tool & Equipment Rental	$10,000	$0	$0	$0	$0	$0	$10,000
10.220	Trucking	$5,000	$0	$0	$0	$0	$0	$5,000
10.223	Admin Overhead	$5,000	$0	$0	$0	$0	$0	$5,000
10.225	Company Supervision/ Geologist	$5,000	$0	$0	$0	$0	$0	$5,000
10.324	Miscellaneous I.D.C.	$10,000	$0	$0	$0	$0	$0	$10,000
10.700	Environmental Expense	$130,000	$0	$0	$0	$0	$0	$130,000
	Intangible Costs - Drilling Total:	**$362,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$362,000**
		Drilling		Completion				
Intangible Costs - Completion		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
20.202	Locations & Roads	$0	$0	$5,000	$0	$0	$0	$5,000
20.207	Water & Mud Materials	$0	$0	$1,000	$0	$0	$0	$1,000
20.214	Perforating & Wireline	$0	$0	$17,000	$0	$0	$0	$17,000
20.218	Tool & Equipment Rental	$0	$0	$12,000	$0	$0	$0	$12,000
20.219	Contract Labor	$0	$0	$10,000	$0	$0	$0	$10,000
20.220	Trucking	$0	$0	$20,000	$0	$0	$0	$20,000
20.223	Admin Overhead	$0	$0	$1,167	$0	$0	$0	$1,167
20.225	Company Supervision	$0	$0	$1,500	$0	$0	$0	$1,500
20.228	Contract Supervision	$0	$0	$10,000	$0	$0	$0	$10,000
20.315	Stimulation	$0	$0	$100,000	$0	$0	$0	$100,000
20.324	Miscellaneous I.C.C.	$0	$0	$5,000	$0	$0	$0	$5,000
20.611	Completion Rig	$0	$0	$40,000	$0	$0	$0	$40,000
20.700	Environmental Expense	$0	$0	$500	$0	$0	$0	$500
	Intangible Costs - Completion Total:	**$0**	**$0**	**$223,167**	**$0**	**$0**	**$0**	**$223,167**
		Drilling		Completion				
Equipment - Drilling		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
51.213	Float Equipment	$1,000	$0	$0	$0	$0	$0	$1,000
51.417	Casing	$14,250	$0	$0	$0	$0	$0	$14,250
	Equipment - Drilling Total:	**$15,250**	**$0**	**$0**	**$0**	**$0**	**$0**	**$15,250**
		Drilling		Completion				
Equipment-Completion/Subsurface		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
52.508	Sucker Rods	$0	$0	$2,850	$0	$0	$0	$2,850
52.509	Artificial Lift	$0	$0	$1,800	$0	$0	$0	$1,800
52.517	Tubing	$0	$0	$5,550	$0	$0	$0	$5,550
	Equipment-Completion/Subsurface Total:	**$0**	**$0**	**$10,200**	**$0**	**$0**	**$0**	**$10,200**
		Drilling		Completion				
Equipment-Completion/Surface		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
55.402	Wellhead Equipment	$0	$0	$1,800	$0	$0	$0	$1,800
55.405	Flowlines & Fittings	$0	$0	$65,000	$0	$0	$0	$65,000
55.412	Misc. Surface Equipment	$0	$0	$3,000	$0	$0	$0	$3,000
55.509	Artificial Lift	$0	$0	$15,000	$0	$0	$0	$15,000
55.558	Tanks, Separation Equipment, etc.	$0	$0	$10,000	$0	$0	$0	$10,000
55.567	Miscellaneous Surface Equipment	$0	$0	$1,500	$0	$0	$0	$1,500
	Equipment-Completion/Surface Total:	**$0**	**$0**	**$96,300**	**$0**	**$0**	**$0**	**$96,300**
		Drilling		Completion				
Equipment - Facilities Construction		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
57.219	Contract Services	$0	$0	$10,000	$0	$0	$0	$10,000
57.225	Company Supervision	$0	$0	$2,000	$0	$0	$0	$2,000
57.300	Company Labor	$0	$0	$500	$0	$0	$0	$500
	Equipment - Facilities Construction Total:	**$0**	**$0**	**$12,500**	**$0**	**$0**	**$0**	**$12,500**
	Total Estimated Cost	**$377,250**	**$0**	**$342,167**	**$0**	**$0**	**$0**	**$719,417**

AUTHORIZATION FOR EXPENDITURE COST ESTIMATE

AFE No: 02931 AFE Type: DRLNG Lease: Westland Park 2 Field Name:
Acct Well No: 1304 Project: Westland Park 2 Drill FC
Lease No: Operator: Merrion Oil & Gas Total Depth: 1,100
Location: Sec. 18, T029-N, R013-W NE/4 County: San Juan State: NM By: Connie Dinning

The Cost Estimate below is a planning estimate ONLY. Partner's share of project cost will extend to actual costs incurred.

Owner Code	Owner Name	Working Interest	Drilling	Completion		Total
	Total:	0.000000%	$0	$0	$0	$0

		Drilling		Completion				
Intangible Costs - Drilling		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
10.200	Surveying & Permitting	$30,000	$0	$0	$0	$0	$0	$30,000
10.201	Surface Damages & R.O.W.	$100,000	$0	$0	$0	$0	$0	$100,000
10.202	Locations & Roads	$15,000	$0	$0	$0	$0	$0	$15,000
10.205	Drilling Rig	$60,000	$0	$0	$0	$0	$0	$60,000
10.207	Water & Mud Materials	$10,000	$0	$0	$0	$0	$0	$10,000
10.209	Casing Crews	$2,000	$0	$0	$0	$0	$0	$2,000
10.211	Logging Open Hole & Mud	$10,000	$0	$0	$0	$0	$0	$10,000
10.212	Cementing	$15,000	$0	$0	$0	$0	$0	$15,000
10.218	Tool & Equipment Rental	$10,000	$0	$0	$0	$0	$0	$10,000
10.220	Trucking	$5,000	$0	$0	$0	$0	$0	$5,000
10.223	Admin Overhead	$5,000	$0	$0	$0	$0	$0	$5,000
10.225	Company Supervision/ Geologist	$5,000	$0	$0	$0	$0	$0	$5,000
10.324	Miscellaneous I.D.C.	$10,000	$0	$0	$0	$0	$0	$10,000
10.700	Environmental Expense	$130,000	$0	$0	$0	$0	$0	$130,000
	Intangible Costs - Drilling Total:	**$407,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$407,000**
		Drilling		Completion				
Intangible Costs - Completion		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
20.202	Locations & Roads	$0	$0	$5,000	$0	$0	$0	$5,000
20.207	Water & Mud Materials	$0	$0	$1,000	$0	$0	$0	$1,000
20.214	Perforating & Wireline	$0	$0	$17,000	$0	$0	$0	$17,000
20.218	Tool & Equipment Rental	$0	$0	$12,000	$0	$0	$0	$12,000
20.219	Contract Labor	$0	$0	$10,000	$0	$0	$0	$10,000
20.220	Trucking	$0	$0	$20,000	$0	$0	$0	$20,000
20.223	Admin Overhead	$0	$0	$1,167	$0	$0	$0	$1,167
20.225	Company Supervision	$0	$0	$1,500	$0	$0	$0	$1,500
20.228	Contract Supervision	$0	$0	$10,000	$0	$0	$0	$10,000
20.315	Stimulation	$0	$0	$100,000	$0	$0	$0	$100,000
20.324	Miscellaneous I.C.C.	$0	$0	$5,000	$0	$0	$0	$5,000
20.611	Completion Rig	$0	$0	$40,000	$0	$0	$0	$40,000
20.700	Environmental Expense	$0	$0	$500	$0	$0	$0	$500
	Intangible Costs - Completion Total:	**$0**	**$0**	**$223,167**	**$0**	**$0**	**$0**	**$223,167**
		Drilling		Completion				
Equipment - Drilling		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
51.213	Float Equipment	$1,000	$0	$0	$0	$0	$0	$1,000
51.417	Casing	$12,500	$0	$0	$0	$0	$0	$12,500
	Equipment - Drilling Total:	**$13,500**	**$0**	**$0**	**$0**	**$0**	**$0**	**$13,500**
		Drilling		Completion				
Equipment-Completion/Subsurface		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
52.508	Sucker Rods	$0	$0	$2,800	$0	$0	$0	$2,800
52.509	Artificial Lift	$0	$0	$1,800	$0	$0	$0	$1,800
52.517	Tubing	$0	$0	$5,500	$0	$0	$0	$5,500
	Equipment-Completion/Subsurface Total:	**$0**	**$0**	**$10,100**	**$0**	**$0**	**$0**	**$10,100**
		Drilling		Completion				
Equipment-Completion/Surface		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
55.402	Wellhead Equipment	$0	$0	$1,800	$0	$0	$0	$1,800
55.405	Flowlines & Fittings	$0	$0	$100,000	$0	$0	$0	$100,000
55.412	Misc. Surface Equipment	$0	$0	$3,000	$0	$0	$0	$3,000
55.509	Artificial Lift	$0	$0	$15,000	$0	$0	$0	$15,000
55.558	Tanks, Separation Equipment, etc.	$0	$0	$10,000	$0	$0	$0	$10,000
55.567	Miscellaneous Surface Equipment	$0	$0	$1,500	$0	$0	$0	$1,500
	Equipment-Completion/Surface Total:	**$0**	**$0**	**$131,300**	**$0**	**$0**	**$0**	**$131,300**
		Drilling		Completion				
Equipment - Facilities Construction		Budget	Suppl	Budget	Suppl	Budget	Suppl	Total
57.219	Contract Services	$0	$0	$10,000	$0	$0	$0	$10,000
57.225	Company Supervision	$0	$0	$2,000	$0	$0	$0	$2,000
57.300	Company Labor	$0	$0	$500	$0	$0	$0	$500
	Equipment - Facilities Construction Total:	**$0**	**$0**	**$12,500**	**$0**	**$0**	**$0**	**$12,500**
	Total Estimated Cost	**$420,500**	**$0**	**$377,067**	**$0**	**$0**	**$0**	**$797,567**