

Exhibit 5
Authorization for Expenditures

MERRION OIL & GAS

Drilling and Completion Cost Estimate

Prepared by Paul Thompson, Thompson Engineering and Production Corp.

AUTHORITY FOR EXPENDITURE
Westland Park #1

Location : NW/4 Section 18, T29N, R13W, San Juan Co., CO

Proposed Depth: 1100'

Confidentiality

	FCG	FCG
Tangible Drilling Costs (Does not include running production casing)		
Conductor casing (40' of 9-5/8" @ 25.75 \$/ft)	515	515
Surface casing (120' of 7" @ 14.25 \$/ft)	865	865
Casing Head	425	850
Total Tangible Drilling Cost	1,795	1,795
Intangible Drilling Costs (Does not include running production casing)		
Survey	0	0
Drill Bit	1,410	1,410
Damages	15,000	15,000
On Work	4,000	4,000
Drill Conductor Hole	4,000	4,000
Drilling Footage @ \$19.00/ft	1,200	1,200
Rig Rentals	10,550	10,450
Drill Bits	3,000	3,000
Drill Bit (Footage)	1,000	1,000
Water and Mud Hauling	1,200	1,200
Drilling Mud	1,500	1,500
Cement Surface	1,500	1,500
Log	0	0
Environmental Disposal	1,575	1,575
Miscellaneous & BOP Test	3,425	6,850
Engineering/Supervision	2,500	2,500
10% Contingency	4,000	8,000
Total Intangible Drilling Costs	37,600	39,700
Total Drilling Costs	54,545	54,220
Grand Total Drilling Costs	65,810	65,810

MERRION OIL & GAS

Drilling and Completion Cost Estimate

Prepared by Paul Thompson, Thompson Engineering and Production Corp.

Westland Park #2

Location: NV/14 Section 18, T29N, R13W, San Juan Co., CO (BML-NE4)

Location: NW 1/4 Section 16, T40N, R13E, S41E, Salt Lake Co., UT	Objective: Horizontal Basin Fruitland Coal
Proposed Depth: 900' TVD & 2923' MID	

100

1. Tangle Drilling Costs: Does not include running production casing. 2. Conductor casing (27' @ 13.39' @ 40.00 S/M). 3. Surface Casing (120' @ 9.56' @ 25.75 S/M).		
Casing Head		2,730
Intermediate casing (1175' @ 7' @ 14.25 S/M). Total Tangle Drilling Cost		16,743
4. Running Production Casing: Does not include running production casing. 5. Survey and Permits 6. Title Opinion and Land Costs 7. Drilling 8. On Work 9. P&L line and Fence 10. Drill Conductor Hole 11. Drilling Daywork @ \$11,800/day 10 days 12. Rig Rentals 13. Log Holes and Dumps 14. Fuel, Water, and Water Handling 15. Drilling Mud 16. All Pig & Nitrogen Unit 17. Drill Bits 18. Cement Surfact 19. Cement Intermediate 20. Directional Drilling Equipment 21. MWMP Rental 22. Mud Logger (6 days @ 2,500/day) 23. Environmental Disposal 24. Miscellaneous & ODP Test 25. Training 26. Supervision		
		2,820
		30,000
		8,000
		8,000
		2,400
		118,000
		5,000
		10,000
		4,200
		2,000
		5,000
		0
		15,675
		3,150
		6,500
		76,000
		15,000
		20,000
		3,000
		8,000
		5,000
		303,143
		381,800
		38,163
		420,233

B. Tangible Completion Costs	
Production Casing (2023 of 4-1/2", (0.5m at 7.50 \$/m)	21,940
Post Equipment	900
Casing Head & Tailing Head & Well Connection Fittings	10,470
Tailing (1175 of 2.36" @ 2.50 \$/m)	2,920
Spool, Pump, S&B, P&C, etc)	3,600
Drill Pipe	1,400
Tool Joints	5,000
Flare and Fittings	4,000
Pumpjack and Motor	26,000
Pipeline	69,700
Water Measurement Building	37,850
Water Measurement Building	16,000
Total Tangible Completion Costs	209,320

Activity	Duration (days)	Cost (£)
1. Site Preparation	5	10,000
2. Foundation Work	10	20,000
3. Framework Construction	15	30,000
4. Roofing	10	15,000
5. Internal Walling	10	10,000
6. Floor Laying	10	10,000
7. Window Installation	5	5,000
8. Door Installation	5	5,000
9. Painting	10	10,000
10. Final Inspection	5	5,000
Total	100	150,000

ESTIMATED COSTS ONLY--Each participating Owner to pay Proportionate Share of Actual Well Costs Subject to Operating Agreement

Alerting Interest Owners