

EXHIBIT 10

Merrion Oil & Gas Corporation. Authority for Expenditure (AFE) Workover Cost Estimate

AFE No. **98023** AFE Type: 9
Actg Well No. 05125-5
Location: 1625' fsl & 1250' fwl (nw sw)
Sec 15, T29N, R13W
County: San Juan State: NM

Lease: Farmington C Com
Project: Re-Complete to Pictured Cliffs
Lease No: Fee
Spacing: 160 Acres
Prospect:

Well No: 1
Field: PC
TD: 5,937 ft
Operator: Merrion Oil & Gas
By: Connie Dinning

Division of Interest:	Owner Share of		Interest	Detailed DOI Attached
	Dry Hole	Completed	WM	
Working Interest		\$ 130,800	61.789750%	
Total Royalty & Overrides			38.210250%	
Total		\$ 130,800	100.000000%	

Intangibles - Drilling (1605)	Completed
230 ROW & Acquisition (Title Opinion)	\$ 10,000
Total Intangibles - Drilling	\$ 10,000

Intangibles - Completion (1611)	
301 Completion Rig	\$ 28,500
303 Perforating & Logging	\$ 7,400
304 Stimulation	\$ 21,000
308 Contract Supervision	\$ 7,200
350 Administrative Overhead	\$ 1,900
302 Cement Squeeze	\$ 4,300
309 Roustabouts... Dig Pit, Hauling, Rework Surface Facilities	\$ 6,200
308 Company Supervision	\$ 2,100
310 Casing Scraper	\$ 600
310 Tool, tbg & equipment Rental	\$ 300
310 RBP & RCP	\$ 6,200
310 Wellhead Valve	\$ 300
310 Tank & Miscellaneous rentals	\$ 3,300
311 Water (includes trucking & frac tank)	\$ 3,100
311 Trucking	\$ 2,800
Contingency 2.0%	\$ 1,100
Total Intangibles - Completion	\$ 98,300
Total Intangibles - Drilling & Completion	\$ 108,300

Tangibles - Drilling & Completion (1640)	
860 Fittings, valves, etc.	\$ 1,700
841 Tanks, Separators, Etc., Used separator	\$ 4,000
851 Line Pipe, New, 2" Polyethylene 1000 feet @ \$1.25 per foot....	\$ 1,300
839 Injection Pumps and Equipment, Used Water transfer pump to sewer	\$ 1,000
836 Pumping Unit & Engine	\$ 10,000
896 Misc. Tangible Equipment Aeration Tank & Equipment	\$ 3,500
896 Miscellaneous	\$ 1,000
Total Tangibles	\$ 22,500
Total Estimated Cost	\$ 130,800

Approved: *T. G. Merrion*
Operator - Merrion Oil & Gas Corporation

Date: 3-11-98

Approved: *George Dinning*
Working Interest Owner

Date: 3-12-98

NMOCD Examiner Hearing
April 16, 1998
Docket No. 10-98
Case No. 11962
Exhibit #10

Farmington C Com #1

Division of Interest:	Owner Share of well		Owner Interest in well	
	Dry Hole	Completed	WI	NRI
Merrion Oil & Gas		\$ 89,676	0.6855937	42.362663%
JG & RVM Rev. Trust		\$ 11,957	0.0914125	5.648356%
Merrion Petroleum		\$ 5,978	0.0457063	2.824181%
Steiner Corporation		\$ 2,461	0.0188125	1.162420%
T Greg Merrion		\$ 2,192	0.0167590	1.035534%
Michael K Merrion		\$ 2,192	0.0167589	1.035528%
Steven S Dunn		\$ 2,192	0.0167589	1.035528%
George F Sharpe		\$ 1,495	0.0114266	0.706047%
City of Farmington*		\$ 1,210	0.0092500	0.571555%
Paul W Long -		\$ 1,196	0.0091413	0.564839%
Michael A Barnes		\$ 1,196	0.0091413	0.564839%
Crystal J Williams		\$ 1,196	0.0091413	0.564839%
Graves Oil & Butane Co.*		\$ 679	0.0051875	0.320534%
Henderson, Nellie		\$ 450	0.0034375	0.212402%
Triplett, Wm. Olen, etal		\$ 450	0.0034375	0.212402%
Kemper, Alvin & Preddy, Tr.		\$ 441	0.0033750	0.208540%
Lucero, Luis & Rosalita		\$ 368	0.0028125	0.173784%
Cross, JF & Narcissa		\$ 360	0.0027500	0.169922%
Hall, Alton & Ruby		\$ 360	0.0027500	0.169922%
Sena, Orlando & Yolando		\$ 352	0.0026875	0.166060%
Carl Merrillatt		\$ 299	0.0022853	0.141208%
Miller, Donald & Laura		\$ 294	0.0022500	0.139027%
Condit, Ray & Doris		\$ 270	0.0020625	0.127441%
Flewellen, Margaret		\$ 262	0.0020000	0.123580%
Barnes, Billie D, etal		\$ 253	0.0019375	0.119718%
Jack Markham		\$ 247	0.0018906	0.116820%
Christmann Mineral Co.		\$ 247	0.0018906	0.116820%
Diamond Head Properties, LP		\$ 247	0.0018906	0.116820%
Henry, Arthur D		\$ 245	0.0018750	0.115856%
Thompson, George & Jackie		\$ 245	0.0018750	0.115856%
Sanchez, Nestor & Dora		\$ 196	0.0015000	0.092685%
Herd Partners, Ltd.		\$ 165	0.0012604	0.077880%
Salazar, Irene P, etal		\$ 147	0.0011250	0.069513%
Casas, Eleuterio		\$ 147	0.0011250	0.069513%
Becker, Donald & Gayle		\$ 131	0.0010000	0.061790%
Newlon, Mary A*		\$ 131	0.0010000	0.061790%
Lucero, Rudy & Lorraine		\$ 106	0.0008125	0.050204%
Martinez, Raymond, etux*		\$ 98	0.0007500	0.046342%
Espinosa, Ben & Marcella		\$ 98	0.0007500	0.046342%
Gonzales, Harry Dean		\$ 98	0.0007500	0.046342%
NM Dist Cndl Assembly of God*		\$ 90	0.0006875	0.042480%
Fiveash, Estella		\$ 90	0.0006875	0.042480%
Kerr-McGee North Amer OS		\$ 82	0.0006302	0.038940%
Torres, Jimmy & Donna		\$ 65	0.0005000	0.030895%
Munoz, Felix R		\$ 65	0.0005000	0.030895%
Romero, Clarence & Emma		\$ 65	0.0005000	0.030895%
Roybal, Richard & Tawanna*		\$ 16	0.0001250	0.007724%
Total Royalty & Overrides				38.210250%
Total		\$ -	100.000000%	100.000000%