

Exhibit 8

PRODUCTION ALLOCATION FORMULA USING HISTORICAL PRODUCTION

Commingle

Allocation Formula Method:

Historical Production from Formation "A" = Formation A (MCFD)

Historical Production from Formation "B" = Formation B (MCFD)

$$\frac{[Formation A]}{Formation A + Formation B} (100) = Formation A \%$$

$$\frac{[Formation B]}{Formation A + Formation B} (100) = Formation B \%$$

PRODUCTION ALLOCATION FORMULA USING PITOT GAUGES

San Juan 32-9 Unit #47A
(PC/Mesaverde)Commingle
Unit D, NW/4, 04-T31N-R09W
San Juan County, New Mexico

Allocation Formula Method:

Pitot gauge from Pictured Cliffs formation = 264 MCFD

Pitot gauge from Pictured Cliffs and Mesaverde formation = 1236 MCFD

$$\frac{[(PC \& MV) 1236 \text{ MCFD} - (PC) 264 \text{ MCFD}]}{(PC \& MV) 1236 \text{ MCFD}} = (MV) \% \quad \underline{\text{Mesaverde 79\%}}$$

$$\frac{(PC) 264 \text{ MCFD}}{(PC \& MV) 1234 \text{ MCFD}} = (PC) \% \quad \underline{\text{Pictured Cliffs 21\%}}$$