

EXHIBIT NO. 3

LEASE DESCRIPTION

FEE LEASE HOLDER	# ACRES	DISCRIPTION
JO KAIME	160	T-27-N R-6-W Sec 22: E/2NW/4, NE/4SW/4 NW/4SE/4

OTHER WELLS ON LEASE

WELL #	PRODUCING ZONE	LOCATION (T27N - R6W)
53	PICTURED CLIFFS	1750' FSL 1690' FEL -- Sec 22

EXHIBIT No. 4
CONDENSATE
ALLOCATION CALCULATIONS

1) Production Test completed on both zones, yields:

$$\text{Mesa Verde Test Rate} = R_1 \text{ (BPD)}$$

$$\text{Dakota Test Rate} = R_2 \text{ (BPD)}$$

2) Days On / Month

$$\text{Mesa Verde Days On} = A$$

$$\text{Dakota Days On} = B$$

3) i) Actual Total Monthly Gauge Volume: G (BPM)

ii) Calculated Individual Volumes:

$$\text{Mesa Verde} = R_1 \times A$$

$$\text{Dakota} = R_2 \times B$$

$$\text{Total Volume} = R_1(A) + R_2(B)$$

4) Allocation Factor (AF):

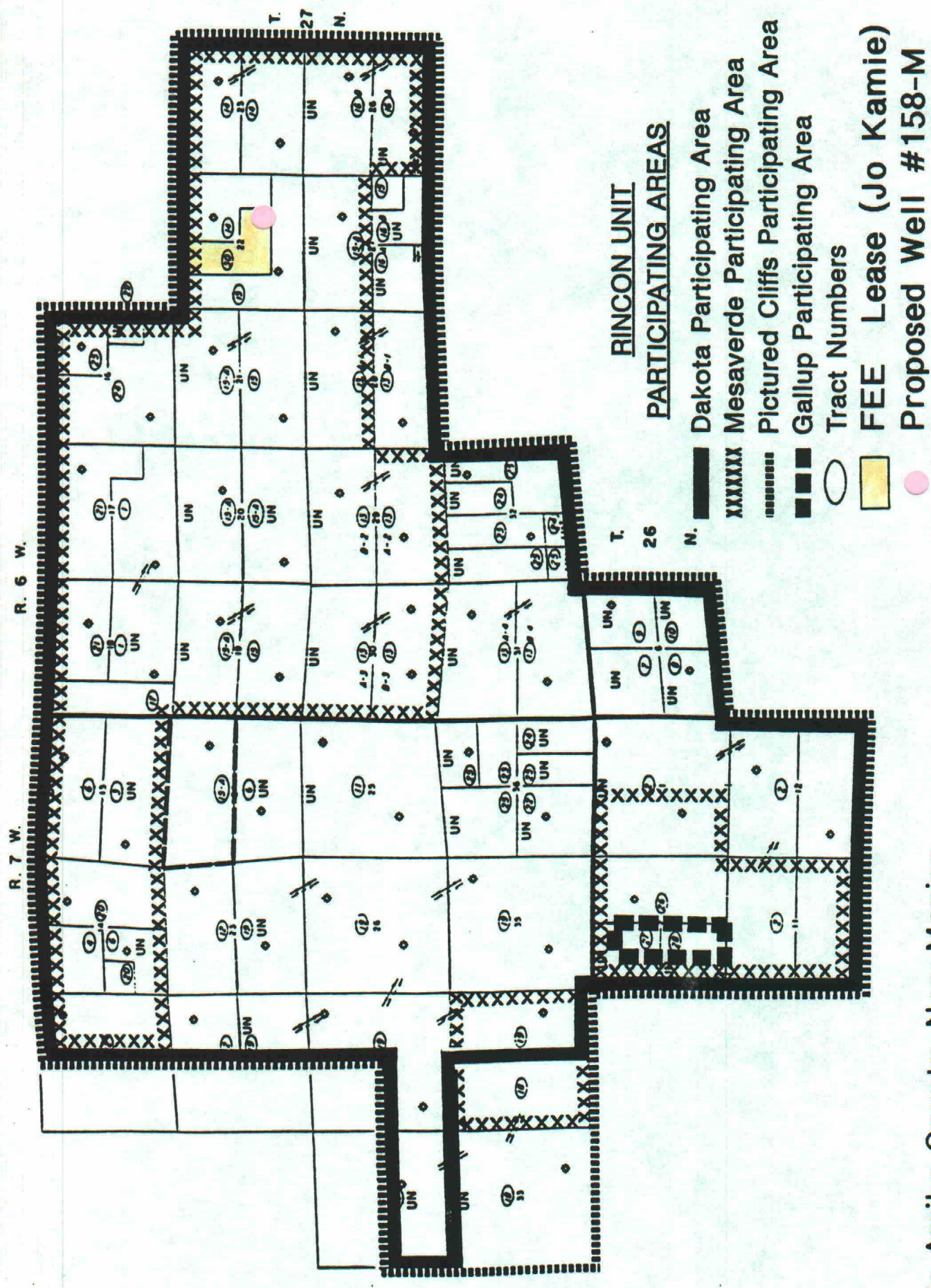
$$AF = \frac{G}{R_1(A) + R_2(B)}$$

5) Corrected Allocation Volumes:

$$\text{Mesa Verde} = AF \times R_1(A)$$

$$\text{Dakota} = AF \times R_2(B)$$

EXHIBIT No. 2



Rio Arriba County, New Mexico