## Logan 35 Federal #4

## Allocation Formula

Well Name	Producing Formation	*Daily Production Test 3-month average	% of Total Oil
Eagle 35 Federal #2	Red Lake (Q-GB-SA)	39 BO/72 MCF/33 BW	37 %
Logan 35 Federal #4	Red Lake; Glorieta-Yeso, NE	66 BO/112 MCF/105 BW	63 %

\* From attached production plots

The above production test represents stable production from a San Andres producer (Eagle 35 Federal #2) and a Yeso producer (Logan 35 Federal #4). We believe these rates of production represent an acceptable means to allocate production. We have previously received approval for downhole commingling in these fields utilizing a similar allocation method.