

## Mann 3 Federal #1

### Allocation Formula

Well Name	Producing Formation	*Daily Production Test	% of Total Oil
		30 day average	
Mann 3 Federal #1	(51300)Red Lake (Q-GB-SA)	42 BO/ 39 MCF/ 400 BW	62 %
Mann 3 Federal #1	(51120)Red Lake; Glorieta-Yeso	25 BO/ 35 MCF/ 341 BW	38 %

\* From attached production plots

The above production test represents stable production from a San Andres producer and a Yeso producer. 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.**