

Details of the proposed method for allocating production to contributing sources is as follows:

The Morrow and the Atoka have been commingled downhole since 1974. Allocation for the Morrow and Atoka have been 70 and 30 percent respectively of the total wellstream production. The ratio of the allocation factors for the Morrow and the Atoka will not be changed.

The Strawn will be flow tested during the completion. This rate and the current well rate from the Morrow and Atoka will be used to determine an allocation factor. This factor will then be forwarded for review and approval.

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary to produce the Strawn zone at the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Signature: Ray E. Jones

Name: Ray E. Jones

Title: Vice President, Engineering

Date: May 18 24