

EXHIBIT 8

WOOD #2
SW/NE 35-30N-11W
MONTHLY GAS PRODUCTION ALLOCATION FORMULA

GENERAL EQUATION

$$Q_t = Q_{ftc} + Q_{pc}$$

WHERE: Q_t = Total Monthly Production (Mcf / Month)
 Q_{ftc} = Fruitland Coal (ftc) Monthly Production (Mcf / Month)
 Q_{pc} = Pictured Cliffs (pc) Monthly Production (Mcf / Month)

Rearranging the Equation to Solve for Q_{ftc} :

$$Q_{ftc} = Q_t - Q_{pc}$$

Any Production Rate Over What is Calculated for the Pictured Cliffs (Q_{pc}), Using the Applied Formula is Fruitland Coal Production (Q_{ftc}).

The Pictured Cliffs (Q_{pc}) Formation Production Formula is:

$$Q_{pc} = Q_{pci} \times e^{\{-(D_{pc}) \times (t)\}}$$

WHERE: Q_{pci} = Pictured Cliffs Initial Monthly Rate = 815 Mcf/M (Determined from the attached decline curve)
 D_{pc} = Pictured Cliffs Monthly Decline Rate Calculated from Decline Curve and Material Balance Analysis:
 $D_{pc} = (0.0015/M)$

THUS: $Q_{ftc} = Q_t - Q_{pci} \times e^{\{-(0.0015) \times (t)\}}$

NOTE: (t) is in Months

