

EXHIBIT No. 4
PRODUCTION ALLOCATION

A. 1982 Production Data

<u>GALLUP/DAKOTA</u>				<u>MESAVERDE</u>		
<u>Month</u>	<u>Days On</u>	<u>MCF</u>	<u>Bbls Oil</u>	<u>Days On</u>	<u>MCF</u>	<u>Bbls Oil</u>
June	30	0	13	12	2,694	29
July	2	440	229	31	4,574	29
Aug	17	1140	227	17	2,601	19
Sept	28	536	39	26	2,873	25
Oct	31	841	339	31	3,326	16
Nov	30	132	0	0	0	3
<u>Dec</u>	<u>31</u>	<u>411</u>	<u>81</u>	<u>21</u>	<u>3,122</u>	<u>30</u>
Total	169	3500	928	137	19,190	151
Avg.		20.7	5.5		140	1.1

B. Percentage Split Recommendation

Mesaverde:

$$\text{Oil} = \frac{1.1}{1.1+5.5} = 16.7\%$$

$$\text{Gas} = \frac{140}{140+20.7} = 87.1\%$$

Dakota:

$$\text{Oil} = \frac{5.5}{5.5+1.1} = 83.3\%$$

$$\text{Gas} = \frac{20.7}{140+20.7} = 12.9\%$$