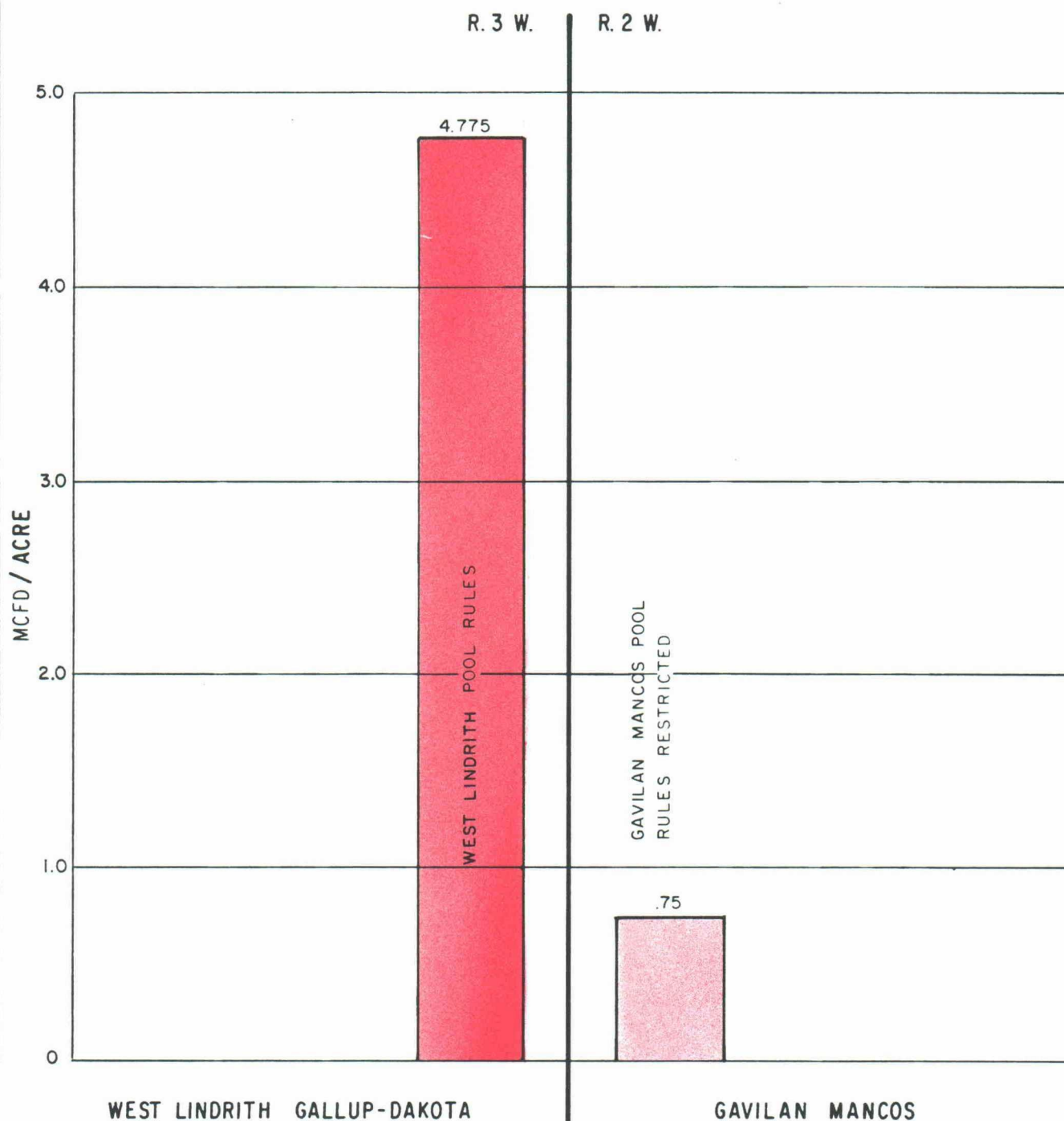


GAS ALLOWABLES
MCFD/ACRE

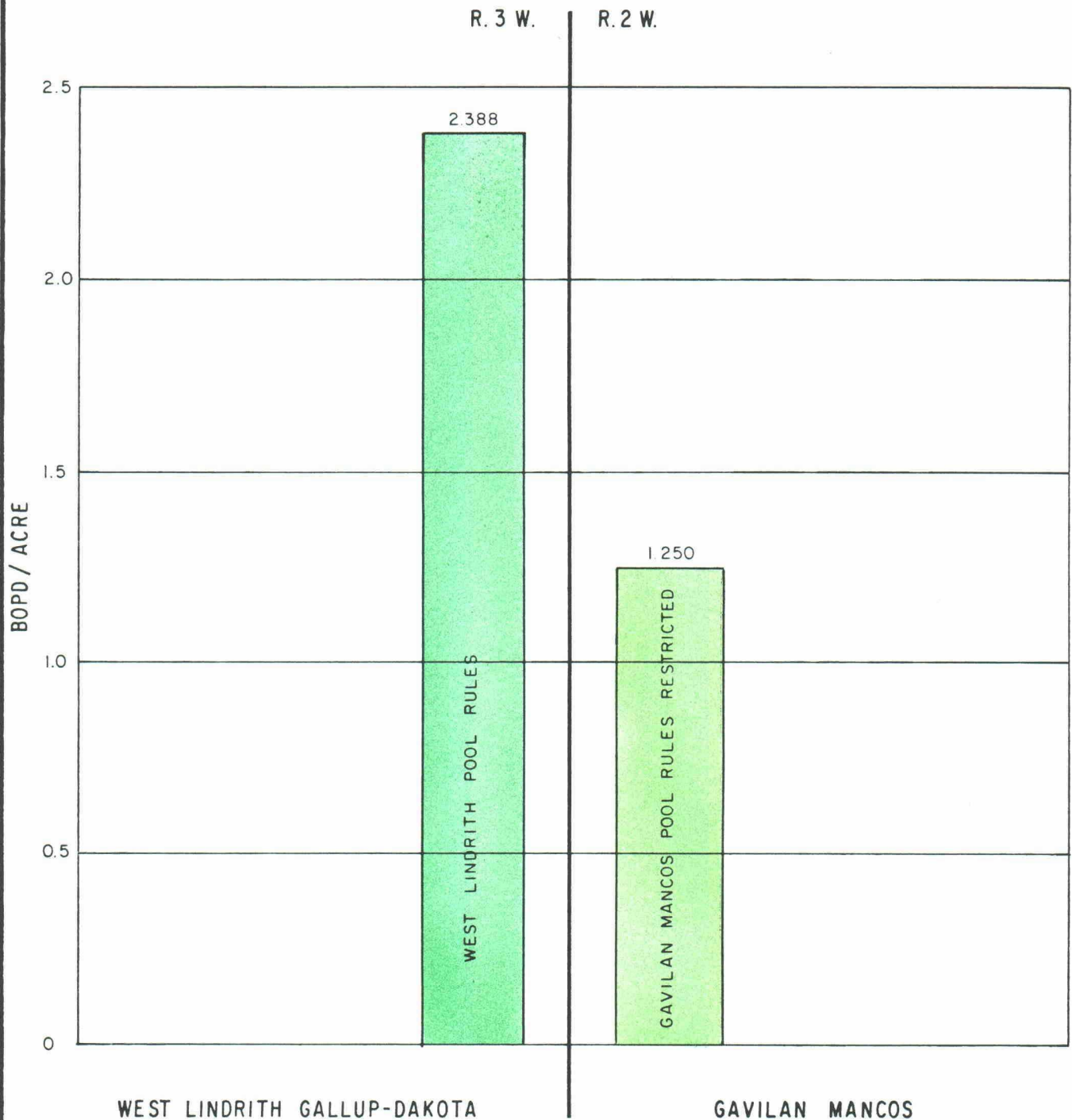


MESA GRANDE RESOURCES, INC-MESA GRANDE LTD.
WEST LINDRITH GALLUP-DAKOTA—GAVILAN MANCOS BUFFER ZONE
RIO ARriba COUNTY, NEW MEXICO

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION
CASE NO. 9226 & 9227
EXHIBIT NO. D-1

DATE October, 1987

OIL ALLOWABLES
BOPD / ACRE



MESA GRANDE RESOURCES, INC-MESA GRANDE LTD.
WEST LINDRITH GALLUP-DAKOTA—GAVILAN MANCOS BUFFER ZONE
RIO ARriba COUNTY, NEW MEXICO

PROPOSED BUFFER ZONE ALLOWABLES
BOPD/MCFD PER ACRE

TOP ALLOWABLE OIL/GAS RATE AT GAVILAN = A

TOP ALLOWABLE OIL/GAS RATE AT WEST LINDRITH = B

PROPOSED BUFFER ZONE ALLOWABLE FORMULAS:

West Lindrith Oil & Gas Allowable = $A + \frac{2}{3}(B-A)$

Gavilan Oil & Gas Allowable = $A + \frac{1}{3}(B-A)$

MESA GRANDE RESOURCES, INC.-MESA GRANDE LTD.
WEST LINDRITH GALLUP-DAKOTA—GAVILAN MANCOS BUFFER ZONE
RIO ARriba COUNTY, NEW MEXICO

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION
CASE NO. 9226 & 9227
EXHIBIT NO. 9-3

DATE: October, 1987

COMPARISON OF ALLOWABLES

WEST LINDRITH GALLUP-DAKOTA OIL POOL

and

GAVILAN-MANCOS OIL POOL

POOL	STANDARD PRORATION UNIT (ACRES)	PER ACRE ALLOWABLES					
		BOPD	GOR	MCFD	"POOL" BOPD	"BUFFER ZONE"* BOPD	MCFD
West Lindrith	160	382	2000	764	2.3875	4.775	2.258/2.008 4.517/3.433
Gavilan-Mancos (Statewide Rules)	640	1,280	2000	2,560	2.0	4.0	2.129 4.258
Gavilan-Mancos (Restricted)	640	800	600	480	1.25	.75	1.629 2.092

* Proposed buffer zone allowable (per acre):

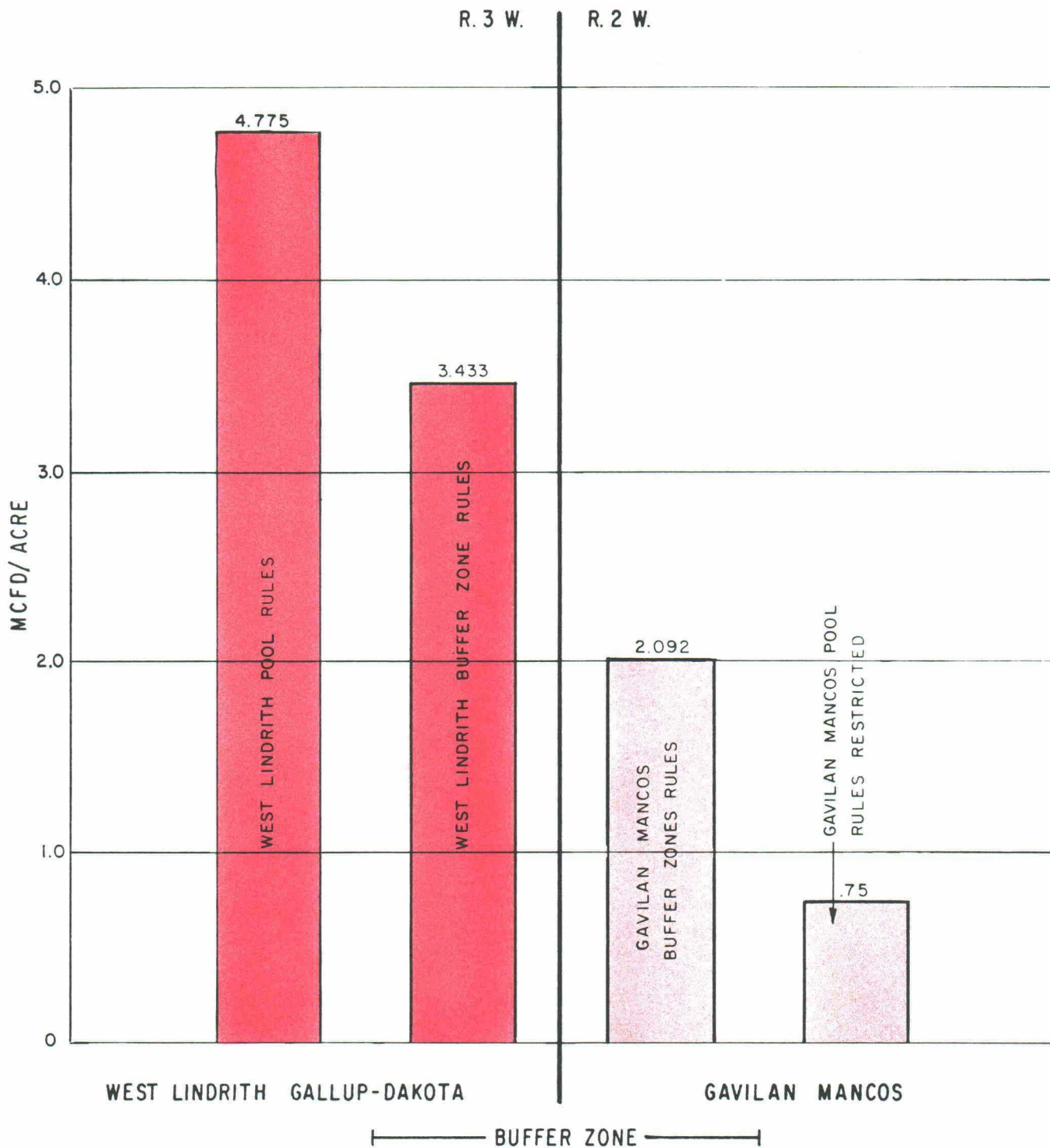
Top allowable oil/gas rate at Gavilan = A
Top allowable oil/gas rate at West Lindrith = B

West Lindrith buffer zone allowable = A + 2/3 (B-A)
Gavilan buffer zone allowable = A + 1/3 (B-A)

MESA GRANDE RESOURCES, INC.-MESA GRANDE LTD.
WEST LINDRITH GALLUP-DAKOTA — GAVILAN MANCOS BUFFER ZONE

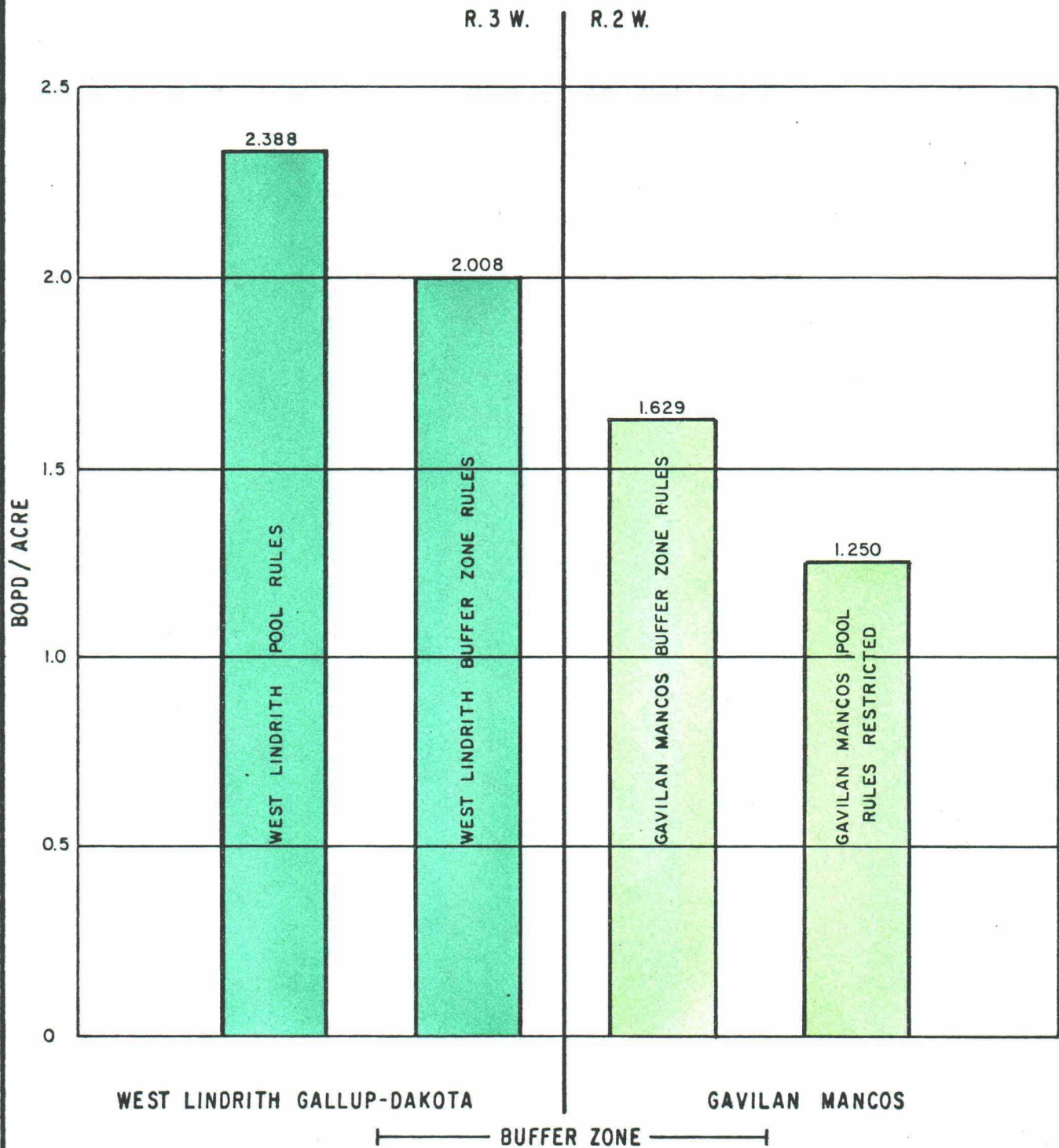
RIO ARriba COUNTY, NEW MEXICO

GAS ALLOWABLES MCFD/ACRE



MESA GRANDE RESOURCES, INC.-MESA GRANDE LTD.
 WEST LINDRITH GALLUP-DAKOTA—GAVILAN MANCOS BUFFER ZONE
 RIO ARriba COUNTY, NEW MEXICO

OIL ALLOWABLES
BOPD / ACRE

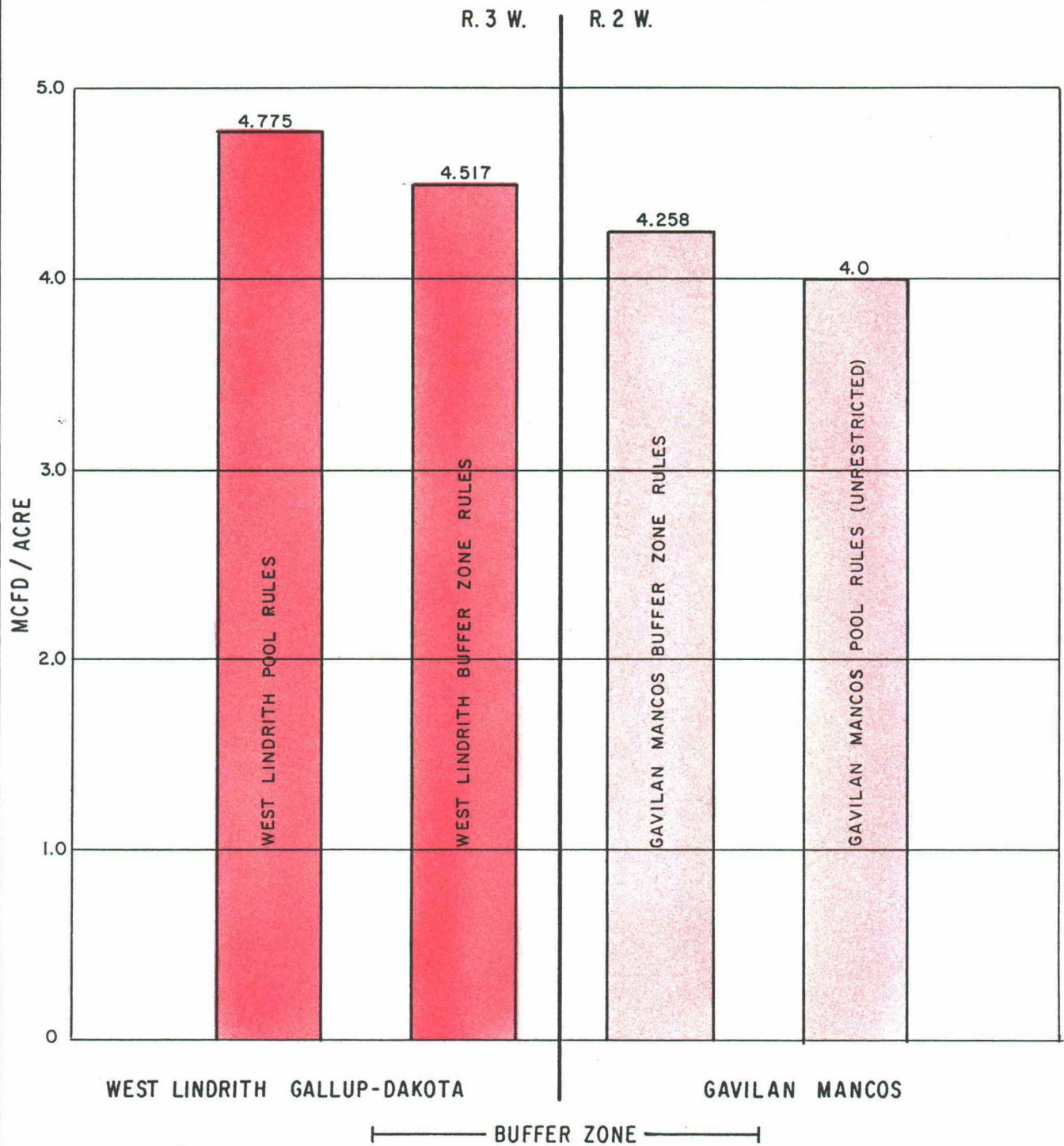


MESA GRANDE RESOURCES, INC.-MESA GRANDE LTD.
WEST LINDRITH GALLUP-DAKOTA — GAVILAN MANCOS BUFFER ZONE
RIO ARriba COUNTY, NEW MEXICO

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION
CASE NO. 9226 & 9227
EXHIBIT NO. D-6

DATE: October, 1987

GAS ALLOWABLES
MCFD/ACRE

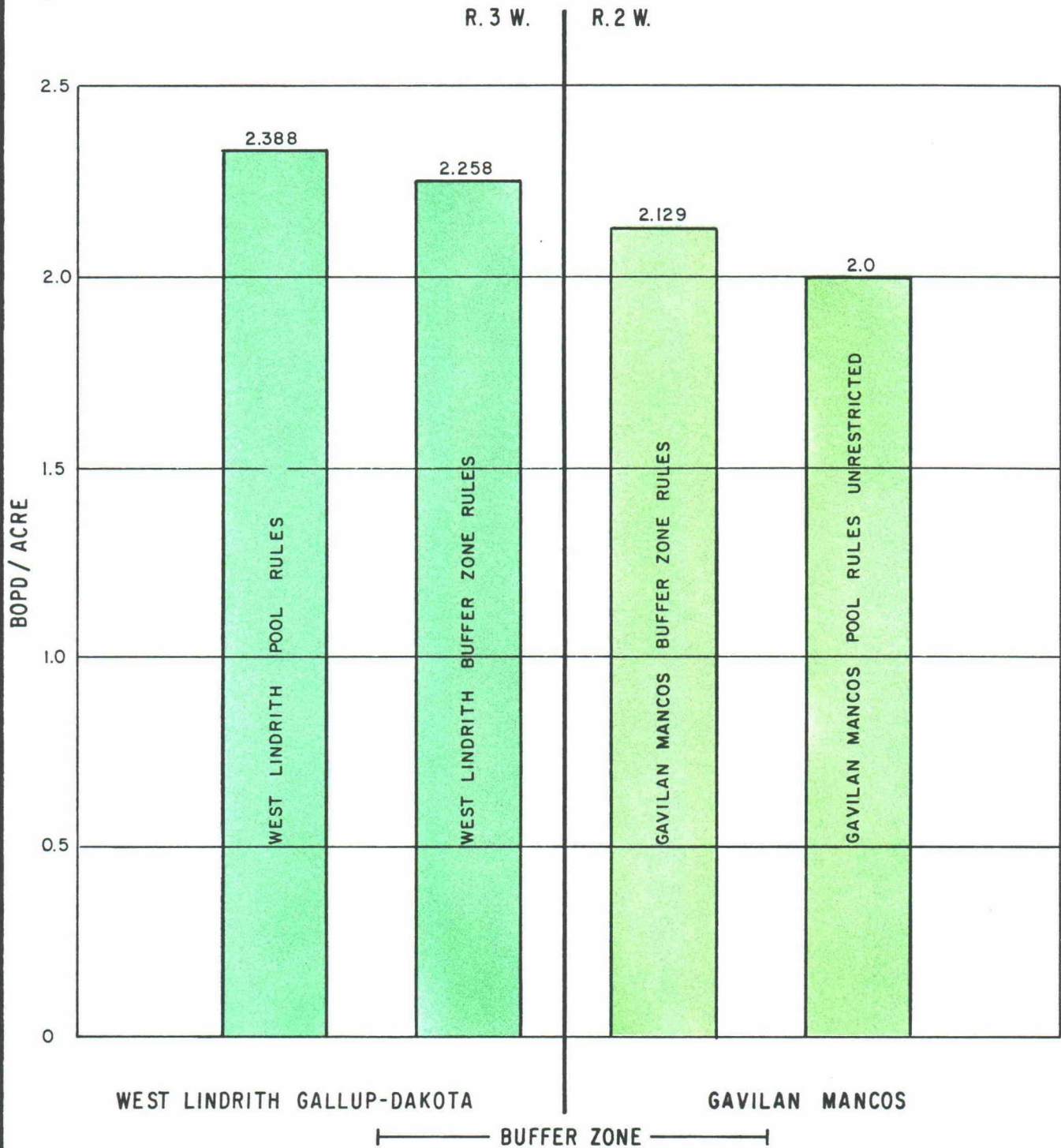


MESA GRANDE RESOURCES, INC.-MESA GRANDE LTD.
WEST LINDRITH GALLUP-DAKOTA—GAVILAN MANCOS BUFFER ZONE
RIO ARriba COUNTY, NEW MEXICO

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION
CASE NO. 9226 & 9227
EXHIBIT NO. D-7

DATE: October, 1987

OIL ALLOWABLES BOPD / ACRE



MESA GRANDE RESOURCES, INC.-MESA GRANDE LTD.
 WEST LINDRITH GALLUP-DAKOTA — GAVILAN MANCOS BUFFER ZONE
 RIO ARriba COUNTY, NEW MEXICO

PROPOSED BUFFER ZONE ALLOWABLES
and
MINIMUM WELL SETBACK RECOMMENDATIONS

1. Buffer Zone to include:

T25N-R2W

Secs. 5, 8, 17, 20, 29, 32: W/2
Secs. 6, 7, 18, 19, 30, 31: All

T25N-R3W

Sec. 1, 12, 13, 24, 25, 36: E/2

2. Minimum 790' well setback on each side of the line dividing the West Lindrith Gallup-Dakota Oil Pool and the Gavilan-Mancos Oil Pool.
3. Allowables for all existing and future Buffer Zone wells shall be determined according to the following formulas:

BUFFER ZONE OIL/GAS ALLOWABLE

Top allowable oil/gas rate at Gavilan = A
Top allowable oil/gas rate at West Lindrith = B

Buffer zone allowable to be calculated as follows:

West Lindrith oil/gas allowable = $A + \frac{2}{3} \times (B-A)$
Gavilan oil/gas allowable = $A + \frac{1}{3} \times (B-A)$

4. SPECIAL PROVISIONS:

A) Special Rules to be set forth by the New Mexico Oil Conservation Commission setting forth special pool rules for West Lindrith governing Section 1-T25N-R3W:

- 7 wells drilled and completed in Section 1
- 1 well (the Mine 1 NZ #2) is located 515' from township line (minimum proposed well setback is 790')

B) In the event production from any West Lindrith well located in the Buffer Zone exceeds the Buffer Zone allowable, the operator, at its own expense, may run a spinner survey or other appropriate test as determined by the State to determine the separate contribution to production from the Dakota and Gallup intervals. The Buffer Zone allowable shall then apply only to the allocated Gallup production.

C) Gavilan Mancos proration units having acreage both inside and outside the Buffer Zone shall be assigned aggregate oil and gas allowables in the proportion that the respective Buffer Zone and Gavilan Pool Areas bear to the total proration unit.

MESA GRANDE RESOURCES, INC.-MESA GRANDE LTD.
WEST LINDRITH GALLUP-DAKOTA—GAVILAN MANCOS BUFFER ZONE
RIO ARriba COUNTY, NEW MEXICO