

**MALLON OIL COMPANY
Mescalero 30 Federal No. 4
SWNE Section 30-T19S-R34E
Lea County, New Mexico**

Estimated production rates for the Strawn are based upon production data, copy attached, from the Union Oil Co. Smith #1 well in S25T19SR33E.

The allocation formula is based upon the actual Morrow production and estimated Strawn production rounded to the nearest 5%.