Distribution: BLM 4 Copies NOV 08 2012 Regulatory BURLINGTON Accounting Well File Famington Field Office Revised: March 9, 2006 ેપાલ au of Land Management Status PRELIMINARY [ PRODUCTION ALLOCATION FORM FINAL 🖂 REVISED \[ \] Commingle Type Date: 11/2/2012 SURFACE DOWNHOLE 🔀 API No. 30-039-31105 Type of Completion NEW DRILL ⋈ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐ DHC No. DHC4526 Lease No. SF-080674 **Federal** Well Name Well No. San Juan 27-4 Unit #56N Unit Letter Township Footage County, State Section Range Sur- K 21 T027N **R004W** 1791' FSL & 1360' FWL Rio Arriba County, BH-F 21 T027N R004W 1903' FNL & 1352' FWL **New Mexico** Completion Date Test Method HISTORICAL ☐ FIELD TEST ☒ PROJECTED ☐ OTHER [ 9/14/2012 THE PERSON NOT FORMATION **GAS PERCENT CONDENSATE PERCENT** 51% **672 MCFD** 51% **MESAVERDE** OIL CONS. DIV DIST. 34% 34% **MANCOS 451 MCFD** NOV 1 6 2012 15% **193 MCFD** 15% **DAKOTA** 1317 JUSTIFICATION OF ALLOCATION: These percentages are based upon isolated flow tests from the Mesaverde, Mancos & Dakota formations during completion operations. Initial Oil allocation will be the same as the gas initial allocation until the first liquid sale is completed. After completing the first liquid sale and using known Dakota and Mesaverde liquid yields from offset Stand Alone wells a system of linear equations will be solved for Mancos liquid yield, and that Mancos liquid yield will be used in conjunction with the Mesaverde and Dakota liquid yields to calculate the oil allocations. The oil allocation will be calculated in a way that is a function of individual formation Gas production and Individual formation liquid yields. **PHONE** APPROVED BY TITLE DATE 564-7740 6eo 11-13-12 505-599-4076 Engineer

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