Distribution: BLM 4 Copies Regulatory FEB 12 2013 BURLINGTON Accounting Well File Farmington Field Office Revised: March 9, 2006 Bureau of Land Wa visitatius PRELIMINARY PRODUCTION ALLOCATION FORM FINAL 🖂 REVISED [Commingle Type Date: 2/8/2013 SURFACE DOWNHOLE API No. 30-045-35310 Type of Completion NEW DRILL ⊠ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐ DHC No. DHC4554 Lease No. I-149-IND-8473 Navajo Allotted Well Name Well No. **Huerfanito Unit** #82N Unit Letter Section Township Range Footage County, State \mathbf{M} T027N R009W 200' FSL & 855' FWL San Juan County. 25 **New Mexico** Completion Date Test Method HISTORICAL ☐ FIELD TEST ☒ PROJECTED ☐ OTHER [9/18/2012 **FORMATION** GAS **PERCENT CONDENSATE PERCENT 269 MCFD** 34% 34% **MESAVERDE** OIL CONS. DIV DIST. 3 **105 MCFD** 14% 14% MANCOS **409 MCFD** 52% 52% DAKOTA 783 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 vields.

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