Kandis Roland

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Distribution: **BLM 4 Copies** APR 16 2013 BURLINGTON RESOURCES Bureau of Land Manager 161. Store Regulatory Accounting Well File Revised: March 9, 2006 Status PRELIMINARY | | PRODUCTION ALLOCATION FORM FINAL 🖂 REVISED [Commingle Type Date: 4/11/13 SURFACE DOWNHOLE API No. 30-045-35359 Type of Completion NEW DRILL ☐ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐ DHC No. DHC4582 Lease No. NM-01772-A **Federal** Well Name Well No. Reid #22M Unit Letter County, State Section Township Range Footage Sur- M 8 T028N **R009W** 990' FSL & 915' FWL San Juan County, R009W BH-N T028N 762' FSL & 1918' FWL **New Mexico** Completion Date Test Method HISTORICAL ☐ FIELD TEST ☒ PROJECTED ☐ OTHER ☐ 1/25/2013 **FORMATION** GAS PERCENT **CONDENSATE PERCENT** OIL CONS. DIV DIST. 3 **MESAVERDE 297 MCFD** 18% 18% APR 1 9 2013 17% **MANCOS 277 MCFD** 17% 65% **DAKOTA 1076 MCFD** 65% 1650 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. 1 APPROVED BY TITLE **PHONE** DATE 564 - 7740 600 X (Engineer 505-599-4076 Bill Akwari

Engineering Tech.

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