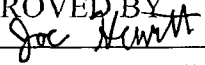
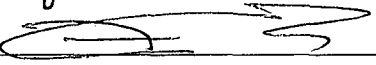
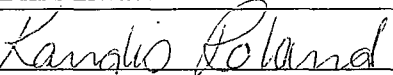
					FEB 12 2013 Farmington Field Office Bureau of Land Management		Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006	
PRODUCTION ALLOCATION FORM							Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input type="checkbox"/>	
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input checked="" type="checkbox"/> RECOMPLETION <input type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>							Date: 2/8/13 API No. 30-039-30663 DHC No. DHC4568 Lease No. SF-078496	
Well Name San Juan 28-7 Unit							Well No. #131N	
Unit Letter	Section	Township	Range	Footage	County, State			
Sur-C	34	T028N	R007W	525' FNL & 2005' FWL	Rio Arriba County, New Mexico			
BH-C	34	T028N	R007W	749' FNL & 1938' FWL				
Completion Date		Test Method						
12/12/2012		HISTORICAL <input type="checkbox"/> FIELD TEST <input checked="" type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>						
FORMATION		GAS		PERCENT	CONDENSATE		PERCENT	
MESAVERDE		431 MCFD		25%	OIL CONS. DIV DIST. 3 FEB 27 2013		25%	
MANCOS		388 MCFD		23%			23%	
DAKOTA		877 MCFD		52%			52%	
		1696						
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.								
APPROVED BY		DATE		TITLE		PHONE		
 Joe Hemmitt		2-25-13		Geo		564-7740		
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X  Kandis Roland		2/8/13		Engineering Tech.		505-326-9743		
Kandis Roland								