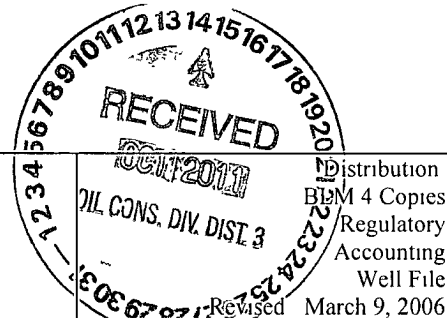




PRODUCTION ALLOCATION FORM



Status
 PRELIMINARY ☒
 FINAL ☐
 REVISED ☒ 2nd Allocation

Commingle Type
 SURFACE ☐ DOWNHOLE ☒
 Type of Completion
 NEW DRILL ☒ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐

Date: 10/7/2011

API No. 30-039-30985
 DHC No. DHC3522AZ
 Lease No. SF-078426

Well Name
 San Juan 29-6 Unit

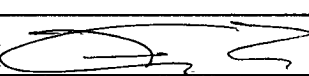
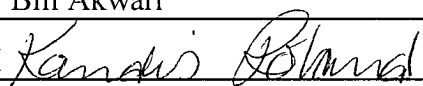
Well No.
 #61M

| Unit Letter | Section | Township | Range | Footage | County, State |
|-------------|---------|----------|-------|-----------------------|--------------------|
| Surf- K | 19 | T029N | R006W | 1975' FSL & 1790' FWL | Rio Arriba County, |
| BH- M | 19 | T029N | R006W | 1238' FSL & 744' FWL | New Mexico |

| Completion Date | Test Method |
|-----------------|--|
| 6/17/2011 | HISTORICAL <input type="checkbox"/> FIELD TEST <input checked="" type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/> |

| FORMATION | GAS | PERCENT | CONDENSATE | PERCENT |
|-----------|-----|---------|------------|---------|
| MESAVERDE | | 47% | | 90% |
| DAKOTA | | 53% | | 10% |
| | | | | |
| | | | | |

JUSTIFICATION OF ALLOCATION: **Second Allocation:** These percentages are based upon compositional gas analysis tests from the Mesaverde and Dakota formations during completion operations. Subsequent allocations will be submitted every three months after the first delivery date. Allocation splits will keep changing until the gas analysis mole fractions stabilize. Condensate percentages are based upon the formation yields.

| APPROVED BY | DATE | TITLE | PHONE |
|---|---------|-------------------|--------------|
| X  | 10/7/11 | Engineer | 505-599-4076 |
| Bill Akwari | | | |
| X  | 10/7/11 | Engineering Tech. | 505-326-9743 |
| Kandis Roland | | | |