Kandis Roland

PHOLINICTON

UU 302012

Distribution: BLM 4 Copies Regulatory

| | | | DURLINGIUM | | | 10F 20 FRIE | | Accounting Well File | |
|--|-----|----------|---------------------------|--|--------------------|------------------|-----------------------------|---------------------------|--|
| RESOURCES | | | | | Far | mington Field Of | fice | Revised: March 9, 2006 | |
| Bureau of Land Manage negatives | | | | | | | | | |
| PRODUCTION ALLOCATION FORM | | | | | | | į. | PRELIMINARY 🗌 | |
| | | | | | | | 1 | FINAL 🗵 | |
| | | | | | | | REVI | | |
| Commingle Type SURFACE | | | | | | | Date: | 7/25/12 | |
| Type of Completion | | | | | | | API No. 30-039-30770 | | |
| NEW DRILL ⊠ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐ | | | | | | | DHC | DHC No. DHC4500 | |
| | | | | | | | Lease | Lease No. SF-079265 | |
| Well Name | | | | | | | Well | Well No. | |
| Klein . | | | | | | | 19P | | |
| Unit Letter | | | | | Footage | | | County, State | |
| Sur- G | 34 | | | | 4' FNL & 2099' FEL | | Rio Arriba County, | | |
| BH - G | 34 | | T026N R006W 1956' FNI | | | 880' FEL | | ew Mexico | |
| Completion Date Test Method RCVD AUG 13 '12 | | | | | | | | | |
| OIL CONS. DIV. | | | | | | | | | |
| 6/25/2012 HISTORICAL FIELD TEST PROJECTED OTHER DIST. 3 | | | | | | | | J Li j. J | |
| | | | | | | | | | |
| FORMATION | | | GAS | PERCENT | | CONDENSATE | | PERCENT | |
| MESAVERDE | | | 251 MCFD | 14% | | | | 14% | |
| MANCOS | | | 317 MCFD | 1 | 7% | · | | 17% | |
| DAKOTA | | | | | | | | | |
| DAKOTA | | | 1239 MCFD | | 69% | | | 69% | |
| | | | 1807 | | | | | | |
| 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 | | DITC | PHONE | |
| Joe Lewith | | | | . | | | | | |
| O Afaw. | | > | 7-2/- | <u>, </u> | Geo | | 364-7740 | | |
| $X \hookrightarrow S$ | | | | ı | Engineer | | 505-599-4076 | | |
| | | | 7/25 | 12 Eng | gineer | | 505- | -599-4076 | |
| Bill Akwa | ari | <u>ک</u> | 7/25 | 12 Eng | gineer | | 505- | -599-4076 | |