

RCVD MAY 12 '08
OIL CONS. DIV.

| <h1 style="margin: 0;">BURLINGTON</h1> <h2 style="margin: 0;">RESOURCES</h2> <h3 style="margin: 10px 0 0 0;">PRODUCTION ALLOCATION FORM</h3> | | | | | | Distribution: DIST. BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006 | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|----------------------|---|-----------------------|--|---|---|-------------|------|---------|------------|-----------------|-----------------------|------------------|--------------|--------------------|------------|-----------------------|-----------------|------------|--|------------|--|-----|--|--|--|--|--|--|--|--|
| 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"/> | | | | | | Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input type="checkbox"/> Date: 4/25/2008 API No. 30-045-33599 DHC No. DHC2465AZ Lease No. NM-0468128 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Well Name Hagood | | | | | | Well No. #100 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unit Letter D | Section 34 | Township T029N | Range R013W | Footage 975' FNL & 1265' FWL | County, State San Juan County, New Mexico | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Completion Date 5/9/2007 | | Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:25%;">FORMATION</th> <th style="width:20%;">GAS</th> <th style="width:20%;">PERCENT</th> <th style="width:20%;">CONDENSATE</th> <th style="width:20%;">PERCENT</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">FRUITLAND COAL</td> <td style="text-align: center;">588 MMSCF</td> <td style="text-align: center;">90%</td> <td></td> <td style="text-align: center;">90%</td> </tr> <tr> <td style="text-align: center;">PICTURE CLIFFS</td> <td style="text-align: center;">65 MMSCF</td> <td style="text-align: center;">10%</td> <td></td> <td style="text-align: center;">10%</td> </tr> <tr> <td></td> <td style="text-align: center;">653</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | | | | | FORMATION | GAS | PERCENT | CONDENSATE | PERCENT | FRUITLAND COAL | 588 MMSCF | 90% | | 90% | PICTURE CLIFFS | 65 MMSCF | 10% | | 10% | | 653 | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JUSTIFICATION OF ALLOCATION: Allocation based on remaining reserves method. There does not seem to be any significant liquids production for the FC and PC. For that reason, oil percentages are based upon the gas allocation. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">APPROVED BY</th> <th style="width:20%;">DATE</th> <th style="width:30%;">TITLE</th> <th style="width:15%;">PHONE</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: bottom;"> X Ryan Frost </td> <td style="vertical-align: bottom; text-align: center;">4/25/08</td> <td style="vertical-align: bottom;">Engineer</td> <td style="vertical-align: bottom;">505-324-5143</td> </tr> <tr> <td style="vertical-align: bottom;"> X Kandis Roland </td> <td style="vertical-align: bottom; text-align: center;">4/25/08</td> <td style="vertical-align: bottom;">Engineering Tech.</td> <td style="vertical-align: bottom;">505-326-9743</td> </tr> </tbody> </table> | | | | | | | APPROVED BY | DATE | TITLE | PHONE | X Ryan Frost | 4/25/08 | Engineer | 505-324-5143 | X Kandis Roland | 4/25/08 | Engineering Tech. | 505-326-9743 | | | | | | | | | | | | | |
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| X Ryan Frost | 4/25/08 | Engineer | 505-324-5143 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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