RECEIVED

| BURLINGTON Farmington Field Office Regulator Accounting Managemen. Well Fill Revised: March 9, 200 Status | | | | | | | | | | |
|--|------------|-------------------|-------------|-----------|----------------------|-----------|----------|---|---------------------------|--|
| PRODUCTION ALLOCATION FORM | | | | | | | | PRELIMINARY ☐ FINAL ☒ REVISED ☐ | | |
| Commingle | | - | | | Date: | 9/27/2011 | | | | |
| SURFACE DOWNHOLE Type of Completion | | | | | | | | API No. 30-045-35096 | | |
| NEW DRILL ⊠ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐ | | | | | | | | | DHC No. DHC-4413AZ | |
| | | | | | | | | Lease No. SF-078097 | | |
| Well Name Heaton 7 | | | | | | | | | Well No. #100S | |
| Unit Letter C | Section 29 | Township T031N | Range R011W | 740 | Footage FNL & 149 | | | County, State San Juan County, New Mexico | | |
| Completion Date Test Method | | | | | | | | | | |
| 8/23/2011 HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒ | | | | | | | | | \boxtimes | |
| FORMATION GAS P | | | | | ERCENT CONDENSA | | | TE PERCENT | | |
| FRUITLAND COAL | | | 789 EUR | | 84% 8 | | BBLS | | 80% | |
| FRUITLAND SAND | | | 150 EUR | | 16% | 2 BBLS | | | 20% | |
| | | | 1329 | | | 10 | | | | |
| | | | | | | | | | | |
| JUSTIFICATION OF ALLOCATION: These percentages are based upon volumetric allocation from the Fruitland Coal and Fruitland Sand formations. Oil reserves calculated by multiplying historical yield by EUR. | | | | | | | | | | |
| ADDROVED DV DATE | | | | | THE IT | | | PHONE | | |
| APPROVED BY DATE 6-6-12 | | | | TITLE G.O | | | 564-7740 | | | |
| x 9/29/11 | | | | | Engineer | | | 505-599-4076 | | |
| Bill Akw | ari/ | | | | | | | | | |
| x Kandus Hand 9/27/11 | | | | | Engineering Tech. | | | 505-326-9743 | | |
| Kandis Roland | | | | | | | | | | |

NMOCD

RCVD JUN 13'12 OIL CONS. DIV. DIST. 3