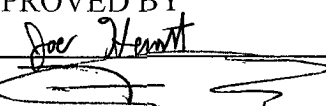
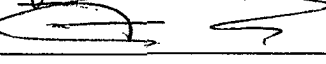
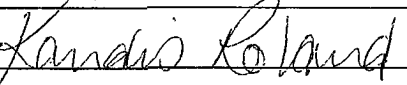


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BURLINGTON RESOURCES PRODUCTION ALLOCATION FORM					JUN 22 2012 Farmington Field Office Bureau of Land Management		Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006		
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <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: 6/15/2012 API No. 30-045-34950 DHC No. DHC4496AZ Lease No. SF-078358	
Well Name Huerfanito Unit					Well No. #79N				
Unit Letter P	Section 26	Township T027N	Range R009W	Footage 445' FSL & 355' FEL	County, State San Juan County, New Mexico				
Completion Date 5/21/2012		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input checked="" type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>					RCVD JUL 3 '12 OIL CONS. DIV. DISL 3		
FORMATION		GAS		PERCENT		CONDENSATE		PERCENT	
MESAVERDE		398 MCFD		24%				24%	
MANCOS		381 MCFD		23%				23%	
DAKOTA		880 MCFD		53%				53%	
		1659							
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 7-25-12 6/15/12		TITLE Geo Engineer		PHONE 564-7540 505-599-4076		
X 			Bill Akwari		Engineering Tech.		505-326-9743		
X 			Kandis Roland		Engineering Tech.		505-326-9743		

NMOC