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 Revised: March 9, 2006

PRODUCTION ALLOCATION FORM

Status

PRELIMINARY ☒FINAL ☐REVISED ☒ 3rd Allocation

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☒ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐

Date: 6/15/2012

API No. 30-045-35170

DHC No. DHC3446AZ

Lease No. SF-080854

Well Name

San Juan 32-8 Unit

Well No.

#15N

Unit Letter

Surf- L

BH- K

Section

24

24

Township

T031N

T031N

Range

R008W

R008W

Footage

1375' FSL & 836' FWL

1889' FSL & 1880' FWL

County, State

San Juan County,

New Mexico

Completion Date

8/11/2011

Test Method

HISTORICAL ☐ FIELD TEST ☒ PROJECTED ☐ OTHER ☐

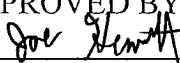
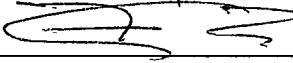
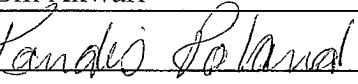
RCVD JUL 3 '12

OIL CONS. DIV.

DIST. 3

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE		67%		67%
DAKOTA		33%		33%

JUSTIFICATION OF ALLOCATION: **Third 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
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