



PRODUCTION ALLOCATION FORM

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Regulatory
Accounting
Well File
Revised: March 9, 2006

Status
PRELIMINARY
FINAL
REVISED

Commingle Type
SURFACE DOWNHOLE
Type of Completion
NEW DRILL RECOMPLETION PAYADD COMMINGLE

Date: 2/8/13
API No. 30-039-30663
DHC No. DHC4568
Lease No. SF-078496

Well Name
San Juan 28-7 Unit

Well No.
#131N

Unit Letter Sur-C BH- C	Section 34 34	Township T028N T028N	Range R007W R007W	Footage 525' FNL & 2005' FWL 749' FNL & 1938' FWL	County, State Rio Arriba County, New Mexico
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Completion Date: **12/12/2012**
Test Method: HISTORICAL FIELD TEST PROJECTED OTHER

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE	431 MCFD	25%		25%
MANCOS	388 MCFD	23%	OIL CONS. DIV DIST. 3	23%
DAKOTA	877 MCFD	52%	FEB 13 2013	52%
	1696			

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	PHONE
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