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BURLINGTON RESOURCES

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Farmington Field Office
Bureau of Land Management

PRODUCTION ALLOCATION FORM

Distribution:
BLM 4 Copies
Regulatory
Accounting
Well File
Revised: March 9, 2006

Status
PRELIMINARY ☐
FINAL ☒
REVISED ☐

Commingle Type	
SURFACE ☐ DOWNHOLE ☒	**Date: 4/12/13**
Type of Completion	API No. **30-045-35360**
NEW DRILL ☒ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐	DHC No. **DHC3714AZ**
	Lease No. **SF-078049**
	Federal

Well Name	Well No.
Hughes A	**#6N**

Unit Letter	Section	Township	Range	Footage	County, State
Sur- M	**28**	**T029N**	**R008W**	**890' FSL & 740' FWL**	**San Juan County,**
BH- D	**33**	**T029N**	**R008W**	**734' FNL & 720' FWL**	**New Mexico**

Completion Date	Test Method
2/12/13	HISTORICAL ☐ FIELD TEST ☒ PROJECTED ☐ OTHER ☐

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE	**400 MCFD**	**59%**		**59%**
MANCOS	**80 MCFD**	**12%**	OIL CONS. DIV DIST. 3	**12%**
DAKOTA	**200 MCFD**	**29%**	APR 3 0 2013	**29%**
	680			

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.

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