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RESOURCES**

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Revised: March 9, 2006

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY
FINAL
REVISED

Date: 3/1/2010

API No. 30-039-30491
DHC No. DHC2849AZ
Lease No. NM-03863

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

Well Name
Valdez

Well No.
#7N

Unit Letter	Section	Township	Range	Footage
Surf- F	28	T028N	R004W	1985' FNL & 1410' FWL
BH- D	28	T028N	R004W	817' FNL & 754' FWL

County, State
**Rio Arriba,
New Mexico**

Completion Date: 10/13/2009
Test Method: HISTORICAL FIELD TEST PROJECTED OTHER DIST. 3
RCVD MAR 23 '10
OIL CONS. DIV.

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE	648 MMCF	67%	2.5 MBBLs	67%
DAKOTA	322 MMCF	33%	1.2 MBBLs	33%
	970		3.7	

JUSTIFICATION OF ALLOCATION: Allocation based on remaining reserves method. Oil Reserves calculated by multiplying historical yield by remaining reserves from gas allocation

APPROVED BY	DATE	TITLE	PHONE
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