

Jicarilla 96 #7
Unit M, Sec.1, T 26 N, R 3 W
Rio Arriba Co., N.M.

Proposed Allocation Method

Produce total well stream for 30 days following upper Mesa Verde pay add
Pay Add projected to add 70 MCFD to Mesa Verde flow stream

Total Stream = X
Pictured Cliffs rate = 14 MCFD

PC Allocation = $14 / X$ as a percentage

MV Allocation = $(X - 14) / X$ as a percentage

Oil Allocation = 100 % to Mesa Verde Zone

Rates will be reported to NMOCD - Aztec for final allocation percentage determination