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Bureau of Land Management

ConocoPhillips

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Revised: March 9, 2006

## PRODUCTION ALLOCATION FORM

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☒ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐

Status

PRELIMINARY ☐FINAL ☒REVISED ☐

Date: 11/2/2012

API No. 30-045-35326

DHC No. DHC4531

Lease No. FEE

Well Name

Heaton Com B

Well No.

#2N

Unit Letter

Sur-J

BH-P

Section

30

30

Township

T031N

T031N

Range

R011W

R011W

Footage

2049' FSL &amp; 1592' FEL

1245' FSL &amp; 718' FEL

County, State

San Juan County,  
New Mexico

Completion Date

9/20/2012

Test Method

HISTORICAL ☐ FIELD TEST ☒ PROJECTED ☐ OTHER ☐

FORMATION

MESAVERDE

GAS

718 MCFD

PERCENT

24%

CONDENSATE

PERCENT

24%

MANCOS

418 MCFD

14%

14%

DAKOTA

1814 MCFD

62%

62%

2950

OIL CONS. DIV DIST. 3  
NOV 19 2012

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

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