

<b>BURLINGTON RECEIVED</b> <b>RESOURCES</b> <b>JUL 25 2014</b>					Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006	
OIL CONS. DIV DIST. 3 JUL 29 2014 <b>PRODUCTION ALLOCATION FORM</b> <small>Bureau of Land Management</small>					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input checked="" type="checkbox"/> 4 <sup>th</sup> Allocation	
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input checked="" type="checkbox"/> RECOMPLETION <input type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Date: 7/18/14 API No. 30-045-34872 DHC No. DHC3141AZ Lease No. SF-078135 <b>Federal</b>	
Well Name <b>Huerfanito Unit</b>					Well No. <b>#87N</b>	
Unit Letter <b>Surf- L</b>	Section <b>1</b>	Township <b>T026N</b>	Range <b>R009W</b>	Footage <b>1432' FSL &amp; 382' FWL</b>	County, State <b>San Juan County, New Mexico</b>	
Completion Date  <b>7/10/2013</b>		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input checked="" type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>				
<b>FORMATION      GAS      PERCENT      CONDENSATE      PERCENT</b>						
<b>MESAVERDE</b>			<b>49%</b>		<b>58%</b>	
<b>DAKOTA</b>			<b>51%</b>		<b>42%</b>	
JUSTIFICATION OF ALLOCATION: <b>Fourth Allocation:</b> These percentages are based upon compositional gas analysis tests from the Mesaverde and Dakota formations during completion operations. Subsequent allocations will be submitted every three months after the first delivery date. Allocation splits will keep changing until the gas analysis mole fractions stabilize. Condensate percentages are based upon the formation yields.						
<b>APPROVED BY      DATE      TITLE      PHONE</b>						
X <i>[Signature]</i> Stephen Read		7-25-14 7/23/14		GEO Engineer		564-7740 505-599-4081
X <i>[Signature]</i> Shara Graham		7/18/14		Engineering Tech.		505-326-9819

NWOC

PC  
2

# COMPOSITIONAL ALLOCATION FORM

**COMPANY: CONOCOPHILLIPS**

## WELL INFORMATION

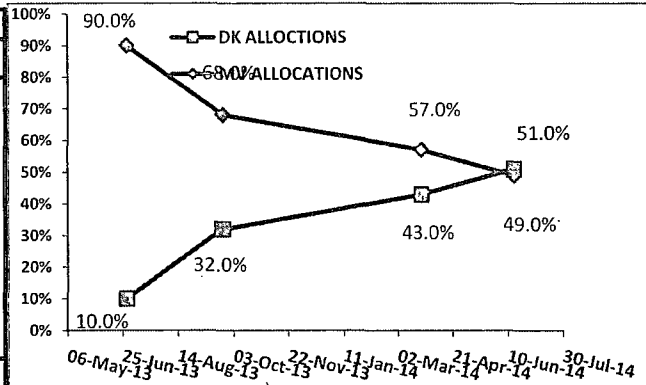
**LOCATION:** NM026N09W001L Downhole  
**WELLNAME:** Huerfano 87N  
**API NUMBER:** 3004534872  
**LEASE NUMBER:** SF-078135  
**COUNTY/ STATE:** San Juan, NM  
**FORMATIONS:** MV/DK (BLANCO MESAVERDE/ BASIN DAKOTA)  
**DHC # APPROVAL:** DHC3141AZ  
**ALLOCATION NUMBER:** 4

## SAMPLE DATA

**ANALYSIS FROM:** Gas Analysis Service (Phone 505-5998998)  
**ANALYSIS REF NUMBER:** CP140518 06/29/13

**SAMPLE DATE:** 6/16/2014

COMPONENT	MOLE %	NORM HC %	BTU
NITROGEN	0.79		
CO2	0.77		
METHANE	77.91	79.1%	786.89
ETHANE	10.45	10.6%	184.93
PROPANE	5.54	5.63%	139.44
I-BUTANE	1.15	1.2%	37.23
N-BUTANE	1.63	1.7%	53.25
I-PENTANE	0.71	0.7%	28.40
N-PENTANE	0.51	0.5%	20.44
HEXANE PLUS	0.54	0.6%	28.57
	100.000		1294.91
HYDROCARBON	98.440		



## END POINTS INFORMATION

FROM STAND ALONE WELLS OR REAL TIME DATA

END POINTS INFORMATION	METHANE		ETHANE		PROPANE		TOTAL BUTANE	
	C1MV	C1DK	C2MV	C2DK	C3MV	C3DK	C4MV	C4DK
CONCENTRATION	76.79%	81.88%	11.17%	10.70%	7.45%	4.24%	3.23%	1.92%
Confidence ratio*	8.0		1.0		7.95		3.9	

\*(Endpoints diff / Observed Variance)

☒ If red, Member Conf ratio too low to be used for allocation purposes

	MV	DK	MV	DK	MV	DK	MV	DK
Allocations*	54.0%	46.0%	Low Conf	Low Conf	43%	57%	Low Conf	Low Conf

Calculated using formulas below

MV ALLOC= DKendP-Mix / DKendP-MVendP

DK ALLOC= Mix-MVPend / DKendP-MVendP

### CENTRAL MEMBER\*

CONF.RATIO	COMP
8.0	C1
CM ALLOC	
MV	DK
54%	46%

\*Central Member (Component with higher Confidence Ratio)

## ALLOCATION CALCULATION

ONLY THOSE COMPONENTS WHOSE ALLOCATIONS ARE 15% POINTS WITHIN THE CENTRAL MEMBER WILL BE USED FOR THE AVERAGE ESTIMATION (Zeros and Neg Discarded)

15% Check	MV ALL
C1	54.000%
C2	
C3	43.000%
C4	

OFFICIAL GAS ALLOC	
MV	DK
49.0%	51.0%
OIL	OIL
58%	42%

\* Oil allocation based on Historical yields

\* If both are zero then Oil alloc= Gas alloc

## SIGNATURES

NAME	TITLE	DATE	SIGNATURE
_____	_____	_____	_____
_____	_____	_____	_____