

OIL CONS. DIV DIST. 3

<b>RECEIVED</b> <b>JAN 02 2015</b> Farmington Field Office Bureau of Land Management		<b>BURLINGTON</b> <b>RESOURCES</b>		<b>JAN 08 2015</b>		Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006																										
<b>PRODUCTION ALLOCATION FORM</b>						Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input type="checkbox"/>																										
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>						Date: 1/2/2015  API No. <b>30-039-20673</b> DHC No. <b>DHC3162AZ</b> Lease No. <b>NM-03863</b>																										
Well Name <b>San Juan 28 4 Unit</b>						Well No. <b>#37</b>																										
Unit Letter <b>Surf- E</b>	Section <b>29</b>	Township <b>T028N</b>	Range <b>R004W</b>	Footage <b>1335' FNL &amp; 870' FEL</b>	County, State <b>Rio Arriba, New Mexico</b>																											
Completion Date  <b>11/6/2010</b>		Test Method  HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>																														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">FORMATION</th> <th style="width: 15%;">GAS</th> <th style="width: 15%;">PERCENT</th> <th style="width: 20%;">CONDENSATE</th> <th style="width: 20%;">PERCENT</th> </tr> </thead> <tbody> <tr> <td>MESAVERDE</td> <td></td> <td style="text-align: center;">79%</td> <td></td> <td style="text-align: center;">96%</td> </tr> <tr> <td>DAKOTA</td> <td></td> <td style="text-align: center;">21%</td> <td></td> <td style="text-align: center;">4%</td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>								FORMATION	GAS	PERCENT	CONDENSATE	PERCENT	MESAVERDE		79%		96%	DAKOTA		21%		4%										
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NMOCD

## San Juan 28-4 Unit 37 Subtraction Allocation Attachment

ConocoPhillips requests that production for the downhole commingle of the San Juan 28-4 Unit 37 be switched to a fixed percentage based allocation from the subtraction allocation method. The Dakota and the Mesa Verde have been producing as a commingled well for the past four years.

The subtraction method applied an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast has been allocated to the new formation(s). The new fixed percentage based allocation will be calculated from average production rates from the past twelve months.

Date	Gas Production			
	Dakota	Mesa Verde	0	Total
Dec-13	11.70	43.30	0.00	55.00
Jan-14	11.70	43.30	0.00	55.00
Feb-14	11.60	44.40	0.00	56.00
Mar-14	11.60	44.40	0.00	56.00
Apr-14	11.50	42.50	0.00	54.00
May-14	11.40	42.60	0.00	54.00
Jun-14	11.40	41.60	0.00	53.00
Jul-14	11.30	42.70	0.00	54.00
Aug-14	11.30	41.70	0.00	53.00
Sep-14	11.20	41.80	0.00	53.00
Oct-14	11.10	41.90	0.00	53.00
Nov-14	11.10	42.90	0.00	54.00
Averages	11.41	42.76	0.00	54.17
% of Total	21%	79%	0%	

### New Fixed Allocations

Dakota -	21%
Mesa Verde -	79%

Oil will be reallocated based on the average formation yields and new fixed allocations.

Formation	Yield	Oil
Dakota	0.47 bbl/mmscf	4%
Mesa Verde	3.07 bbl/mmscf	96%

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

# BURLINGTON RESOURCES

JAN 02 2015

## PRODUCTION ALLOCATION FORM

Status

PRELIMINARY ☐FINAL ☒REVISED ☐

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 1/2/2015

API No. **30-039-20673**DHC No. **DHC3162AZ**Lease No. **NM-03863**

Well Name

**San Juan 28 4 Unit**

Well No.

**#37**

Unit Letter

**Surf- E**

Section

**29**

Township

**T028N**

Range

**R004W**

Footage

**1335' FNL & 870' FEL**

County, State

**Rio Arriba,  
New Mexico**

Completion Date

**11/6/2010**

Test Method

HISTORICAL ☒ FIELD TEST ☐ PROJECTED ☐ OTHER ☐

FORMATION

**MESAVERDE**

GAS

PERCENT

**79%**

CONDENSATE

PERCENT

**96%****DAKOTA****21%****4%**

JUSTIFICATION OF ALLOCATION: Burlington Resources requests that production for the down hole commingle to be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Condensate splits are calculated from offset yield data.

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