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BURLINGTON RESOURCES

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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: 8/1/2016

API No. **30-45-33989**
DHC No. **DHC 3815AZ**
Lease No. **SF-080724-A**

OIL CONS. DIV DIST. 3

Well Name
Pierce Federal A

SEP 14 2016

Well No.
#2F

Unit Letter	Section	Township	Range	Footage	County, State
F	34	T029N	R010W	1975' FNL & 1665' FWL	San Juan County, New Mexico

Completion Date	Test Method
7/25/2016	HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>

JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Dakota and the added formation to be commingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast.

The condensate will be allocated based on historical yields and expected EURs. Dakota – 11%, Mesaverde – 89%

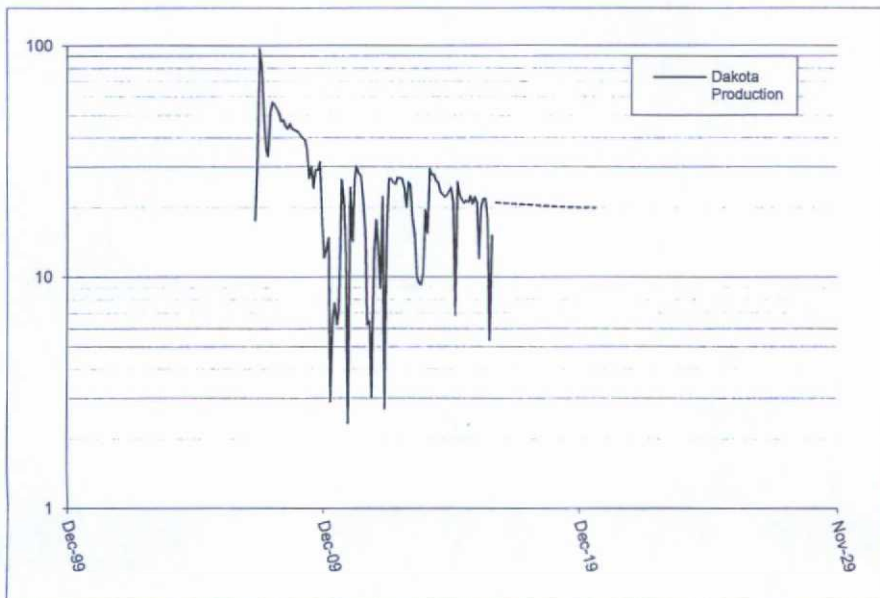
APPROVED BY	DATE	TITLE	PHONE
<i>Joe Hewitt</i>	<i>9-12-16</i>	<i>Geo</i>	<i>564-7740</i>
X <i>Ephraim Schofield</i>	<i>9/6/16</i>	Engineer	505-326-9826
Ephraim Schofield			

NMOCDA

Pierce Federal A 2F Subtraction Allocation Attachment

ConocoPhillips requests that production for the downhole commingle of the Pierce Federal A 2F be allocated using the subtraction method. The base formation is the Dakota and the added formation to be commingled is the Mesa Verde.

The subtraction method applies an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s).



Total Forecast	
Date	MCFD
Aug-16	21.00
Sep-16	20.97
Oct-16	20.94
Nov-16	20.91
Dec-16	20.88
Jan-17	20.84
Feb-17	20.81
Mar-17	20.78
Apr-17	20.75
May-17	20.72
Jun-17	20.69
Jul-17	20.66
Aug-17	20.63
Sep-17	20.60
Oct-17	20.57
Nov-17	20.54
Dec-17	20.52
Jan-18	20.49
Feb-18	20.46
Mar-18	20.43
Apr-18	20.40
May-18	20.38
Jun-18	20.35
Jul-18	20.32
Aug-18	20.29
Sep-18	20.27
Oct-18	20.24
Nov-18	20.21
Dec-18	20.19
Jan-19	20.16
Feb-19	20.13
Mar-19	20.11
Apr-19	20.08
May-19	20.06
Jun-19	20.05
Jul-19	20.04
Aug-19	20.04
Sep-19	20.03
Oct-19	20.02
Nov-19	20.01
Dec-19	20.00
Jan-20	19.99
Feb-20	19.98
Mar-20	19.98
Apr-20	19.97
May-20	19.96
Jun-20	19.95
Jul-20	19.94

Oil production will be allocated based on average formation yields from offset wells. Average yields for each formation are below:

Formation	Yield	Gas EUR	Oil Allocation
Dakota	7.681 bbl/mmscf	0.437 BCF	11%
Mesa Verde	47.69 bbl/mmscf	0.588 BCF	89%

Ephraim Schofield

Reservoir Engineer

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