Area: «TEAM»

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ConocoPhillips

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Commingle Type
SURFACE ☐ DOWNHOLE ☒
Type of Completion
NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: **9/23/2011**

API No. **30-039-23311**
DHC No. **DHC3451AZ**
Lease No. **NMSF-080538**

Well Name
San Juan 30-5 Unit

Well No.
#104

Unit Letter	Section	Township	Range	Footage	County, State
G	**13**	**T030N**	**R005W**	**1630' FNL & 1000' FEL**	**Rio Arriba County, New Mexico**

Completion Date
8/10/2011

Test Method
HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

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.

Oil production is allocated based on average formation yields from offset wells. MV-100%

APPROVED BY	DATE	TITLE	PHONE
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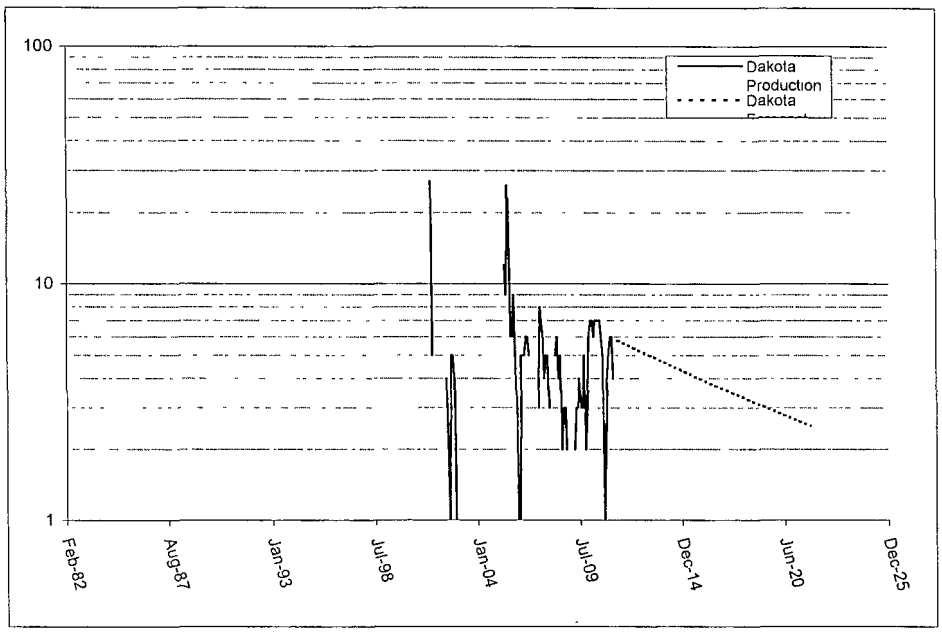
San Juan 30 5 Unit 104 Subtraction Allocation Attachment

ConocoPhillips requests that production for the downhole commingle of the San Juan 30 5 Unit 104 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 exceding the forecast will be allocated to the new formation(s).



Total Forecast	
Date	MCFD
Nov-11	5 66
Dec-11	5.62
Jan-12	5.58
Feb-12	5 54
Mar-12	5.50
Apr-12	5 46
May-12	5.42
Jun-12	5.38
Jul-12	5.34
Aug-12	5.31
Sep-12	5 27
Oct-12	5 23
Nov-12	5.19
Dec-12	5 16
Jan-13	5 12
Feb-13	5 09
Mar-13	5.05
Apr-13	5 01
May-13	4 98
Jun-13	4 94
Jul-13	4.91
Aug-13	4.88
Sep-13	4.84
Oct-13	4 81
Nov-13	4.77
Dec-13	4 74
Jan-14	4.71
Feb-14	4.68
Mar-14	4.64
Apr-14	4 61
May-14	4 58
Jun-14	4.55
Jul-14	4 52
Aug-14	4.48
Sep-14	4 45
Oct-14	4 42
Nov-14	4 39
Dec-14	4.36
Jan-15	4 33
Feb-15	4.30
Mar-15	4 27
Apr-15	4 24
May-15	4 21
Jun-15	4.19
Jul-15	4 16
Aug-15	4 13
Sep-15	4 10
Oct-15	4 07

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	0 bbl/mmscf	0.014 BCF	0%
Mesa Verde	0 03 bbl/mmscf	0 779 BCF	100%