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BURLINGTON RESOURCES

PRODUCTION ALLOCATION FORM

SEP 27 2011

Farmington Field Office
Bureau of Land Management
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 Well File
 Revised: March 9, 2006

 Status
 PRELIMINARY ☒
 FINAL ☐
 REVISED ☐

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

Date: 9/26/2011

 API No. 30-039-29558
 DHC No. DHC1994AZ
 Lease No. FEE

 Well Name
 San Juan 27-5 Unit

 Well No.
 #125M

Unit Letter	Section	Township	Range	Footage	County, State
J	21	T027N	R005W	1825' FSL & 2220' FEL	Rio Arriba County, New Mexico

Completion Date	Test Method
7/29/2011	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.

Oil production is allocated based on average formation yields from offset wells. MV-0%, DK-100%

APPROVED BY	DATE	TITLE	PHONE
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NMOC

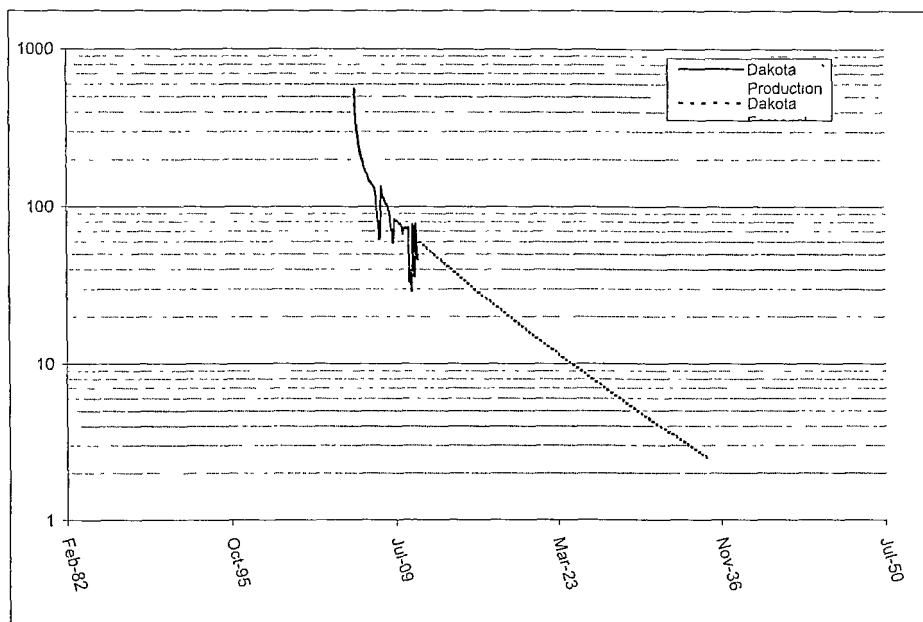
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San Juan 27 5 Unit 125M Subtraction Allocation Attachment

ConocoPhillips requests that production for the downhole commingle of the San Juan 27 5 Unit 125M 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).



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	4.79 bbl/mmscf	0.15 BCF	100%

Total Forecast	
Date	MCFD
Nov-11	57.25
Dec-11	56.54
Jan-12	55.83
Feb-12	55.14
Mar-12	54.46
Apr-12	53.78
May-12	53.12
Jun-12	52.46
Jul-12	51.81
Aug-12	51.17
Sep-12	50.54
Oct-12	49.92
Nov-12	49.31
Dec-12	48.70
Jan-13	48.10
Feb-13	47.51
Mar-13	46.93
Apr-13	46.36
May-13	45.79
Jun-13	45.23
Jul-13	44.68
Aug-13	44.14
Sep-13	43.60
Oct-13	43.07
Nov-13	42.55
Dec-13	42.03
Jan-14	41.52
Feb-14	41.02
Mar-14	40.52
Apr-14	40.03
May-14	39.55
Jun-14	39.08
Jul-14	38.60
Aug-14	38.14
Sep-14	37.68
Oct-14	37.23
Nov-14	36.78
Dec-14	36.34
Jan-15	35.91
Feb-15	35.48
Mar-15	35.06
Apr-15	34.64
May-15	34.23
Jun-15	33.82
Jul-15	33.42
Aug-15	33.02
Sep-15	32.63
Oct-15	32.24