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BURLINGTON RESOURCES

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Farmington Field Office
Bureau of Land Management

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Regulatory
Accounting
Well File
Revised: March 9, 2006

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Commingle Type
SURFACE ☐ DOWNHOLE ☒

Type of Completion
NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 2/8/2012

API No. 30-045-20257

DHC No. DHC3575AZ

Lease No. NM-013860

Well Name
Hardie

Well No.
#5

Unit Letter
O

Section
23

Township
T028N

Range
R008W

Footage
1020' FSL & 1850' FEL

County, State
**San Juan County,
New Mexico**

Completion Date
12/14/2011

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 will be allocated based on average formation yields from offset wells. (MV-60%, DK-40%)

APPROVED BY	DATE	TITLE	PHONE
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RCVD FEB 16 '12
OIL CONS. DIV.
DIST. 3

NMOCD