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**APR 10 2014**

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Revised: March 9, 2006

**ConocoPhillips**

Farmington Field Office  
Bureau of Land Management

**PRODUCTION ALLOCATION FORM**

PRELIMINARY   
FINAL   
REVISED

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

Date: 4/7/2014  
API No. 30-045-07650  
DHC No. DHC1274AZ  
Lease No. State

Well Name  
**STATE COM X**

Well No.  
#20

Unit Letter <b>J</b>	Section <b>36</b>	Township <b>T029N</b>	Range <b>R010W</b>	Footage <b>1450' FSL &amp; 1450' FEL</b>	County, State <b>San Juan County, New Mexico</b>
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Completion Date <b>5/15/2004</b>	Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>
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JUSTIFICATION OF ALLOCATION: **Effective as of completion date above.** ConocoPhillips requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Pictured Cliffs and the added formation to be commingled is the Fruitland Coal. 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 CONS. DIV. DIST. 3

Original base formation produced zero oil. All oil will be allocated to the new formation. **APR 21 2014**

**ACCEPTED FOR RECORD**

**APR 17 2014**

APPROVED BY	DATE	TITLE	PHONE
<i>[Signature]</i>	4-17-14	680	564-7740
X <i>[Signature]</i> Stephen Read	4/8/14	Engineer	505-599-4081
X <i>[Signature]</i> Shara Graham	4/7/14	Engineering Tech.	505-326-9819

No Federal Minerals

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Status  
PRELIMINARY   
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Commingle Type  
SURFACE  DOWNHOLE   
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Unit Letter J	Section 36	Township T029N	Range R010W	Footage 1450' FSL & 1450' FEL	County, State San Juan County, New Mexico
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Completion Date 5/15/2004	Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>
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FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
PICTURED CLIFF	5 MCF	4%		0%
FRUITLAND COAL	115 MCF	96%		100%
	120			

JUSTIFICATION OF ALLOCATION: Effective as of 5/1/2008 ConocoPhillips 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. Original base formation produced zero oil. All oil will continue to be allocated to the added formation.

ACCEPTED FOR RECORD

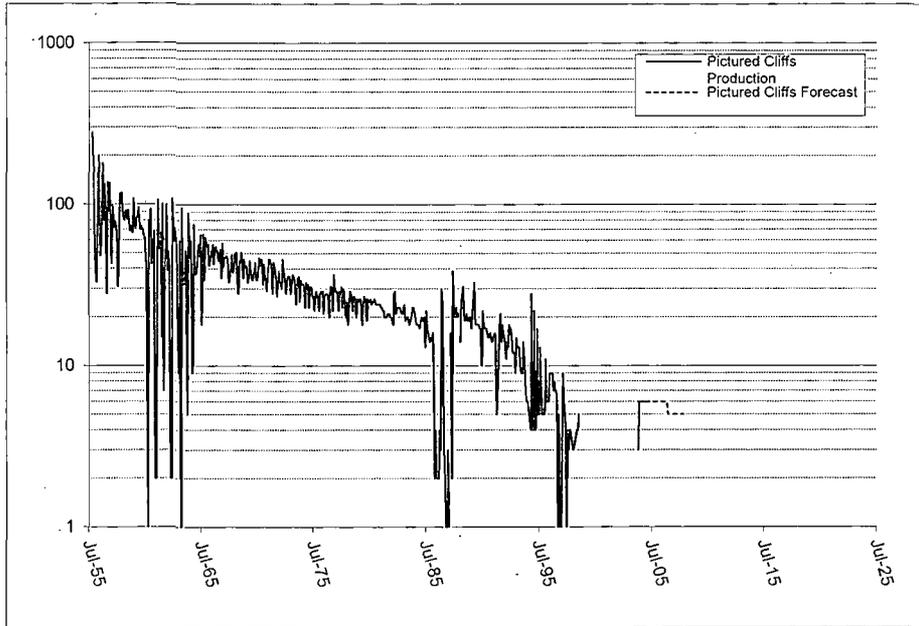
APR 17 2014

APPROVED BY FARMINGTON FIELD OFFICE	TITLE	PHONE
X <i>SR</i> 4/8/14	Engineer	505-599-4081
Stephen Read		
X <i>Shara Graham</i> 4/7/14	Engineering Tech.	505-326-9819
Shara Graham		

## State Com X 20 Subtraction Allocation Attachment

ConocoPhillips requests that production for the downhole commingle of the State Com X 20 be allocated using the subtraction method. The base formation is the Pictured Cliffs and the added formation to be commingled is the Fruitland Coal.

The subtraction method applies a 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).



Original base formation produced zero oil. All oil will be allocated to the new formation.

EUR /Flowtest      Oil Allocation

Total Forecast	
Date	MCFD
May-04	6.00
Jun-04	6.00
Jul-04	6.00
Aug-04	6.00
Sep-04	6.00
Oct-04	6.00
Nov-04	6.00
Dec-04	6.00
Jan-05	6.00
Feb-05	6.00
Mar-05	6.00
Apr-05	6.00
May-05	6.00
Jun-05	6.00
Jul-05	6.00
Aug-05	6.00
Sep-05	6.00
Oct-05	6.00
Nov-05	6.00
Dec-05	6.00
Jan-06	6.00
Feb-06	6.00
Mar-06	6.00
Apr-06	6.00
May-06	6.00
Jun-06	6.00
Jul-06	6.00
Aug-06	6.00
Sep-06	6.00
Oct-06	6.00
Nov-06	6.00
Dec-06	6.00
Jan-07	5.00
Feb-07	5.00
Mar-07	5.00
Apr-07	5.00
May-07	5.00
Jun-07	5.00
Jul-07	5.00
Aug-07	5.00
Sep-07	5.00
Oct-07	5.00
Nov-07	5.00
Dec-07	5.00
Jan-08	5.00
Feb-08	5.00
Mar-08	5.00
Apr-08	5.00

## State Com X 20 Subtraction Allocation Attachment

ConocoPhillips requests that production for the downhole commingle of the State Com X 20 be switched to a fixed percentage based allocation from the subtraction allocation method. The Pictured Cliffs and the Fruitland Coal 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.

Gas Production				
Date	Pictured Cliffs	Fruitland Coal	0	Total
May-07	5.00	110.00	0.00	115.00
Jun-07	5.00	107.00	0.00	112.00
Jul-07	5.00	121.00	0.00	126.00
Aug-07	5.00	74.00	0.00	79.00
Sep-07	5.00	134.00	0.00	139.00
Oct-07	5.00	118.00	0.00	123.00
Nov-07	5.00	121.00	0.00	126.00
Dec-07	5.00	97.00	0.00	102.00
Jan-08	5.00	114.00	0.00	119.00
Feb-08	5.00	107.00	0.00	112.00
Mar-08	5.00	145.00	0.00	150.00
Apr-08	5.00	143.00	0.00	148.00
Averages	5.00	115.92	0.00	120.92
% of Total	4%	96%	0%	

**New Fixed Allocations.**

Pictured Cliffs -           4%  
Fruitland Coal -           96%

Original base formation produced zero oil. All oil will continue to be allocated to the added formation.