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RESOURCES**

OIL CONS. DIV DIST. 3

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Revised: March 9, 2006

**PRODUCTION ALLOCATION FORM**Status  
PRELIMINARY ☐  
FINAL ☒  
REVISED ☐

Date: 1/2/2015

API No. **30-039-20475**  
DHC No. **DHC1809AZ**  
Lease No. **FEE**Commingle Type  
SURFACE ☐ DOWNHOLE ☒Type of Completion  
NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐Well Name  
**San Juan 28 5 Unit**Well No.  
**#88**

| Unit Letter | Section | Township | Range | Footage             | County, State             |
|-------------|---------|----------|-------|---------------------|---------------------------|
| Surf- M     | 15      | T028N    | R005W | 990' FSL & 800' FWL | Rio Arriba,<br>New Mexico |

| Completion Date | Test Method                                                                                                                                          |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12/10/2010      | HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/> |

| FORMATION | GAS | PERCENT | CONDENSATE | PERCENT |
|-----------|-----|---------|------------|---------|
| MESAVERDE |     | 44%     |            | 67%     |
| DAKOTA    |     | 56%     |            | 33%     |
|           |     |         |            |         |
|           |     |         |            |         |

**JUSTIFICATION OF ALLOCATION:** Burlington Resources 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. Condensate splits are calculated from offset yield data.

| APPROVED BY                | DATE   | TITLE             | PHONE        |
|----------------------------|--------|-------------------|--------------|
| <i>See Hunt</i>            | 1-5-15 | Geo               | 564-7747     |
| X <i>Ephraim Schofield</i> | 1-2-15 | Engineer          | 505-326-9826 |
| Ephraim Schofield          |        |                   |              |
| X <i>David Valdez</i>      | 1-2-15 | Engineering Tech. | 505-326-9520 |
| David Valdez               |        |                   |              |

NMCCD

## San Juan 28-5 Unit 88 Subtraction Allocation Attachment

ConocoPhillips requests that production for the downhole commingle of the San Juan 28-5 Unit 88 be switched to a fixed percentage based allocation from the subtraction allocation method. The Dakota and the Mesa Verde 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.

| Date       | Gas Production |            |      |        |
|------------|----------------|------------|------|--------|
|            | Dakota         | Mesa Verde | 0    | Total  |
| Dec-13     | 89.70          | 77.30      | 0.00 | 167.00 |
| Jan-14     | 89.50          | 76.50      | 0.00 | 166.00 |
| Feb-14     | 89.20          | 76.80      | 0.00 | 166.00 |
| Mar-14     | 88.90          | 60.10      | 0.00 | 149.00 |
| Apr-14     | 88.70          | 65.30      | 0.00 | 154.00 |
| May-14     | 88.40          | 79.60      | 0.00 | 168.00 |
| Jun-14     | 88.20          | 71.80      | 0.00 | 160.00 |
| Jul-14     | 87.90          | 71.10      | 0.00 | 159.00 |
| Aug-14     | 87.60          | 68.40      | 0.00 | 156.00 |
| Sep-14     | 87.40          | 69.60      | 0.00 | 157.00 |
| Oct-14     | 87.10          | 61.90      | 0.00 | 149.00 |
| Nov-14     | 86.80          | 69.20      | 0.00 | 156.00 |
| Averages   | 88.28          | 70.63      | 0.00 | 158.92 |
| % of Total | 56%            | 44%        | 0%   |        |

### New Fixed Allocations

|              |     |
|--------------|-----|
| Dakota -     | 56% |
| Mesa Verde - | 44% |

Oil will be reallocated based on the average formation yields and new fixed allocations.

| Formation  | Yield          | Oil |
|------------|----------------|-----|
| Dakota     | 1.54 bbl/mmscf | 33% |
| Mesa Verde | 3.92 bbl/mmscf | 67% |