

BURLINGTON RESOURCES

PRODUCTION ALLOCATION FORM

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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: 08/15/2006

API No.
30045330550000

DHC No. DHC 3544

Lease No. NMNM-03017

Well Name
HUERFANO UNIT

Well No.
#37

Unit Letter A	Section 18	Township T026N	Range R009W	Footage 930' FNL & 970' FEL	County, State Rio Arriba County, New Mexico
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Completion Date

04/03/2006

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
FRUITLAND SAND	.033 BCF	6%		6%
FRUITLAND COAL	.482 BCF	94%		94%

JUSTIFICATION OF ALLOCATION: These percentages are based upon volumetric allocations, based on log analysis from the Fruitland Coal and Fruitland Sand formations during completion operations. Oil was not present during test operations. For that reason, oil percentages are based upon the gas allocation and are provided in the event this wellbore begins producing oil at some point in the future.

APPROVED BY	DATE	TITLE	PHONE
X <i>Julian Carrillo</i>	8-16-06	Engineer	505-599-4063
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Burlington Resources

Volumetric Production Allocation Spreadsheet

Well Name: Huerfano Unit 37
Location: 26N 09W 18NE
Analyst: JLS
Date: 8/3/2006

Fruitland Sand Volumetrics:	
Reservoir pressure	190 psig
Reservoir temperature	105 deg F
Gas gravity	0.65
Calculated Bg	13.1 SCF/cu ft
Net Reservoir thickness	4 ft
Reservoir porosity	0.24 (frac)
Water saturation	0.47 (frac)
Drainage area	160 acres
Abandonment pressure	50 psig
Calculated GIP	0.048 BCF
Calculated EUR @ abandonment	0.033 BCF

Fruitland Coal Volumetrics:	
Reservoir pressure	190 psig
Reservoir thickness	40.0 ft
Coal density	1.59 g/cc
Abandonment pressure	50 psig
Drainage area	160 acres
Calculated gas content	50 SCF/ton
Calculated GIP	0.693 BCF
Calculated EUR @ abandonment	0.482 BCF

Allocation Calculation:		
	<u>EUR</u>	<u>Allocation</u>
Fruitland Sand	0.033	0.06
Fruitland Coal	<u>0.482</u>	0.94
Total	0.515	1.00

Note:
Log measurement from Huerfano Unit 161E