

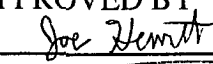
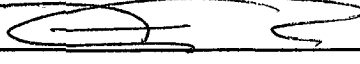
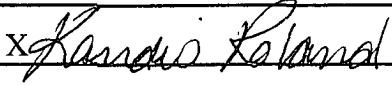


RECEIVED

 <b>PRODUCTION ALLOCATION FORM</b>					<b>JAN 06 2010</b> Bureau of Land Management Farmington Field Office	Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/>					Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input type="checkbox"/>	
Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Date: 12/31/2009 API No. 30-045-24722 DHC No. DHC1615 Lease No. SF078433	
Well Name <b>Newsom</b>					Well No. <b>#17E</b>	
Unit Letter <b>P</b>	Section <b>20</b>	Township <b>T026N</b>	Range <b>R008W</b>	Footage <b>860' FSL &amp; 910' FEL</b>	County, State <b>San Juan County, New Mexico</b>	
Completion Date 		Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>				<b>RCVD JAN 12 '10</b> <b>OIL CONS. DIV.</b> <b>DIST. 3</b>
FORMATION		GAS		PERCENT	CONDENSATE	PERCENT
DAKOTA		18 MCFD		71%		100%
FRUITLAND COAL		7 MCFD		29%		0%
		25				
JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the down hole commingle of the Newsom 17E be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. The newer shallow zones are known to not make any oil based on existing offset production. All oil will be allocated to the parent formation.						
APPROVED BY		DATE		TITLE		PHONE
		1-7-10		Geo		599-6245
X 		1/4/10		Engineer		505-599-4076
Bill Akwari						
X 		12/31/09		Engineering Tech.		505-326-9743
Kandis Roland						

NMOC