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PRODUCTION ALLOCATION FORM

Distribution:
 BLM 4 Copies
 Regulatory
 Accounting
 Well File
 Bureau of Land Management
 Fannington Field Revised: March 9, 2006

FEB 04 2010

Status
 PRELIMINARY ☐
 FINAL ☒
 REVISED ☐

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

Date: 1/15/2010
 API No. 30-039-20284
 DHC No. DHC1612
 Lease No.

Well Name
Jicarilla K

Well No.
 #11

| | | | | | |
|-------------------------|---------------------|--------------------------|-----------------------|---|---|
| Unit Letter E | Section 2 | Township T025N | Range R005W | Footage 1455' FNL & 1045' FWL | County, State Rio Arriba County, New Mexico |
|-------------------------|---------------------|--------------------------|-----------------------|---|---|

| | | |
|-----------------|--|---|
| Completion Date | Test Method | RCVD FEB 8 '10 OIL CONS. DIV. DIST. 3 |
| | HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/> | |

| FORMATION | GAS | PERCENT | CONDENSATE | PERCENT |
|-----------|---------|---------|------------|---------|
| DAKOTA | 56 MCFD | 35% | | 26% |
| CHACRA | 37 MCFD | 23% | | 0% |
| MESAVERDE | 67 MCFD | 42% | | 74% |
| | 160 | | | |

JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the down hole commingle of the Jicarilla K 11 be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Oil allocation is based on the yield ratio. Yields were determined from basin-wide Dakota and Mesaverde yield maps. Based on offset wells the Chacra formation does not produce oil.

| APPROVED BY | DATE | TITLE | PHONE |
|------------------------|---------|-------------------|--------------|
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| X <i>[Signature]</i> | 1/15/10 | Engineer | 505-599-4076 |
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NMOC