

RECEIVED



PRODUCTION ALLOCATION FORM

 FEB 05 2010
 Bureau of Land Management
 Farmington Field Office

 Distribution:
 BLM 4 Copies
 Regulatory
 Accounting
 Well File
 Revised: March 9, 2006

 Status
 PRELIMINARY ☐
 FINAL ☒
 REVISED ☐

 Commingle Type
 SURFACE ☐ DOWNHOLE ☒

 Type of Completion
 NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 12/23/2009

API No. 30-039-07289

DHC No. DHC2855

Lease No. NMSF079294

 Well Name
 San Juan 28-7 Unit

 Well No.
 #018

Unit Letter M	Section 25	Township T028N	Range R007W	Footage 990' FSL & 990' FWL
------------------	---------------	-------------------	----------------	--------------------------------

 County, State
 Rio Arriba County,
 New Mexico

Completion Date

Test Method

 HISTORICAL ☒ FIELD TEST ☐ PROJECTED ☐ OTHER ☐

 RCVD FEB 12 '10
 OIL CONS. DIV.
 DIST. 3

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE	59 MCFD	61%		100%
PICTURED CLIFFS	29 MCFD	30%		0%
FRUITLAND COAL	8 MCFD	9%		0%
	96			

JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the down hole commingle of the San Juan 28-7 Unit 18 be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Based on existing offset production, shallow zones do not make any oil. All oil will be allocated to the parent formation.

APPROVED BY	DATE	TITLE	PHONE
Joe Herrell	2-9-10	Geo	599-6265
X [Signature]	1/8/10	Engineer	505-599-4076
Bill Akwari			
X Kandis Roland	12/23/09	Engineering Tech.	505-326-9743
Kandis Roland			

NMOCD