| A SATION   |             |   |             |      |                              |   |                                     |
|--|-------------|---|-------------|------|------------------------------|---|-------------------------------------|
| RECEIVED BURLINGTON  RECEIVED RESOURCES  OIL CONS. DIV. DIST. 3 55  OIL CONS. DIV. DIST. 3 55  |             |   |             |      |                              |   | Distribution:<br>BLM 4 Copies       |
| RECEIVED & BURLINGTON  |             |   |             |      |                              |   | Regulatory<br>Accounting            |
| RESOURCES RESOURCES  |             |   |             |      |                              |   | Well File<br>Revised: March 9, 2006 |
| OIL CONS. DIV. DIST. 3 5   |             |   |             |      |                              |   | Status                              |
| REODUCTION ALLOCATION FORM   |             |   |             |      |                              |   | PRELIMINARY 🛛                       |
| REODUCTION ALLOCATION FORM   |             |   |             |      |                              |   | FINAL  REVISED                      |
| Commingle Type   |             |   |             |      |                              |   | Date: 1/10/2011                     |
| SURFACE DOWNHOLE   |             |   |             |      |                              |   |                                     |
| Type of Completion   |             |   |             |      |                              | API No. 30-039-20475                    |                                     |
| NEW DRILL ☐ RECOMPLETION ☐ PAYADD ☐ COMMINGLE ☐  |             |   |             |      |                              |   | DHC No. DHC1809AZ                   |
|  |             |   |             |      |                              |   | Lease No. FEE                       |
| Well Name  |             |   |             |      |                              | Well No.                                |                                     |
| San Juan 28-5 Unit   |             |   |             |      |                              | لـــــا                                 | #88                                 |
| Unit Letter M  | Section 15  | Township<br>T028N                             | Range R005W | 00   | Footage<br>0' FSL & 800' FWL |   | County, State Rio Arriba County,    |
| 141  | 13          | 102014  | KUUSVV      | 77   | U FSL & OUU FWL              |   | New Mexico                          |
| Completion   | Test Method | i   |             |      | <b>!</b>                     | *************************************** |                                     |
| 12/10/2010   |             | HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒ |             |      |                              |   |                                     |
|  |             |   |             |      |                              |   |                                     |
| JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the downhole commingle  |             |   |             |      |                              |   |                                     |
| be allocated using the subtraction method. The base formation is the Dakota and the added formation to be  |             |   |             |      |                              |   |                                     |
| commingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the  |             |   |             |      |                              |   |                                     |
| base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s). A fixed percentage based allocation will be submitted after the fourth year   |             |   |             |      |                              |   |                                     |
| of production. See attached documents for production forecast and condensate allocation spilt.   |             |   |             |      |                              |   |                                     |
| Franklin and annual specific and provide an annual specific and an a |             |   |             |      |                              |   |                                     |
|  |             |   |             |      |                              |   |                                     |
|  |             |   |             |      |                              |   |                                     |
| APPROVED BY DATE   |             |   |             |      | TITLE                        |   | PHONE                               |
| 1 2 21 1   |             |   | 3-1-11      |      | Geo                          |   | 599- LILT                           |
|  | ) - (       |   | 1 10        |      |                              |   |                                     |
|  |             |   |             | 1 )/ | Engineer                     | <del> </del>                            | 505-599-4076                        |
| Bill Akwari  |             |   |             |      |                              |   |                                     |
| x Xandes toland 1/10/11  |             |   |             |      | Engineering Tech.            |   | 505-326-9743                        |
| Kandis Roland  |             |   |             |      | ,                            |   |                                     |

NMOCD