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**BURLINGTON
RESOURCES**Farmington Field Office
Bureau of Land Management**PRODUCTION ALLOCATION FORM**Distribution:
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Regulatory
Accounting
Well File

Revised: March 9, 2006

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐Commingled Type
SURFACE ☐ DOWNHOLE ☒
Type of Completion
NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLED ☐

Date: 5/16/2012

API No. 30-045-07262
DHC No. DHC4326-A
Lease No. NM-04209Well Name
HancockWell No.
#4Unit Letter
M
Section
23
Township
T028N
Range
R009W
Footage
1090' FSL & 990' FWLCounty, State
**San Juan County,
New Mexico**Completion Date
3/1/2012Test Method
HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the downhole commingled be allocated using the subtraction method. The base formation is the Pictured Cliffs & Mesaverde and the added formations to be commingled is the Fruitland Coal & Fruitland Sand. 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). Volumetrics will then be used to split the Fruitland Coal (78%) and Fruitland Sand (22%). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast.

Oil production will be allocated based on average formation yields from offset wells. Mesaverde 100%

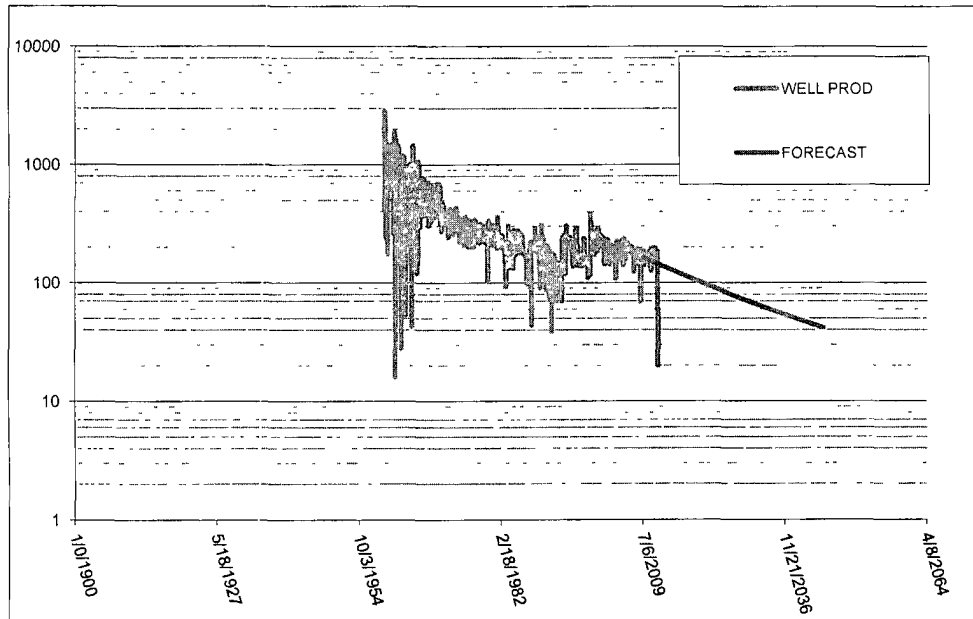
APPROVED BY	DATE	TITLE	PHONE
<i>Joe Hunt</i>	<i>6-6-12</i>	<i>Gen</i>	<i>564-7740</i>
X <i>[Signature]</i>	<i>5/16/12</i>	Engineer	505-599-4076
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Kandis Roland			

RCVD JUN 13'12
OIL CONS. DIV.
DIST. 3**NMCCD**

Hancock 4 Subtraction Allocation Attachment

ConocoPhillips requests that production for the downhole commingle of the Hancock 4 be allocated using the subtraction method. The base formations are the Mesa Verde and Pictured Cliffs and the added formations to be commingled are the Fruitland Coal and the Fruitland Sand

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).



Production from the Fruitland Coal and Fruitland Sand will be allocated based on the following flow test data:

Formation	Flow Test (MCFD) / Volumetrics		Allocation
	(Bcf)		
Fruitland Coal	0.97		78%
Fruitland Sand	0.266		22%

Oil production will be allocated based on average formation yields from offset wells. Average yields for each formation are below:

Formation	Yield	Gas EUR	Oil Allocation
Mesa Verde	6.6 bbl/mmcsf	0 404 BCF	100%
Pictured Cliffs	0 bbl/mmcsf	0 869 BCF	0%
Fruitland Coal	0 bbl/mmcsf	0 970 BCF	0%

Total Forecast	
Date	MCFD
Mar-12	141.90
Apr-12	141.30
May-12	140.80
Jun-12	140.30
Jul-12	139.80
Aug-12	139.20
Sep-12	138.70
Oct-12	138.20
Nov-12	137.60
Dec-12	137.10
Jan-13	136.60
Feb-13	136.10
Mar-13	135.60
Apr-13	135.10
May-13	134.70
Jun-13	134.10
Jul-13	133.60
Aug-13	133.20
Sep-13	132.70
Oct-13	132.10
Nov-13	131.70
Dec-13	131.20
Jan-14	130.70
Feb-14	130.20
Mar-14	129.80
Apr-14	129.30
May-14	128.90
Jun-14	128.30
Jul-14	127.90
Aug-14	127.40
Sep-14	127.00
Oct-14	126.40
Nov-14	126.00
Dec-14	125.60
Jan-15	125.10
Feb-15	124.60
Mar-15	124.20
Apr-15	123.80
May-15	123.30
Jun-15	122.90
Jul-15	122.40
Aug-15	121.90
Sep-15	121.50
Oct-15	121.10
Nov-15	120.70
Dec-15	120.20
Jan-16	119.80
Feb-16	119.30