

RECEIVED

NOV 08 2012

ConocoPhillips

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

Farmington Field Office
Bureau of Land Management
PRODUCTION ALLOCATION FORM

Status
PRELIMINARY
FINAL
REVISED

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

Date: **11/2/2012**
API No. **30-045-35252**
DHC No. **DHC4474**
Lease No. **SF-081240**
Federal

Well Name
Horton

Well No.
#1B

Unit Letter	Section	Township	Range	Footage
Sur-I	35	T032N	R011W	1426' FSL & 773' FEL
BH- O	35	T032N	R011W	978' FSL & 1887' FEL

County, State
**San Juan County,
New Mexico**

Completion Date: **8/29/2012**
Test Method: HISTORICAL FIELD TEST PROJECTED OTHER

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE	851 MCFD	43%	OIL CONS. DIV DIST. 3 NOV 16 2012	43%
MANCOS	283 MCFD	14%		14%
DAKOTA	841 MCFD	43%		43%
	1975			

JUSTIFICATION OF ALLOCATION: These percentages are based upon isolated flow tests from the Mesaverde, Mancos & Dakota formations during completion operations. Initial Oil allocation will be the same as the gas initial allocation until the first liquid sale is completed. After completing the first liquid sale and using known Dakota and Mesaverde liquid yields from offset Stand Alone wells a system of linear equations will be solved for Mancos liquid yield, and that Mancos liquid yield will be used in conjunction with the Mesaverde and Dakota liquid yields to calculate the oil allocations. The oil allocation will be calculated in a way that is a function of individual formation Gas production and Individual formation liquid yields.

APPROVED BY	DATE	TITLE	PHONE
<i>Joe Hemitt</i>	11-13-12	Geo	564-7740
<i>[Signature]</i>	11/5/12	Engineer	505-599-4076
Bill Akwari			
<i>Kandis Roland</i>	11/2/12	Engineering Tech.	505-326-9743
Kandis Roland			