Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals FORM APPROVED OMB No. 1004-0135 Expires November 30, 2000

5. Lease Serial No. NMSF078972

| 6. | If-Indian, | Allottee or Tribe Name |
|----|------------|------------------------|

| apandoned w | Vell. Use Forill 3100-3 (APD) |) for such proposals. | | | | | | | |
|--|---|---|------------------------|--------------------------|--|----------|--|--|--|
| SUBMIT IN TR | 7. If Unit or C | A/Agreement, Name an | d/or No. | | | | | | |
| Oil Well A Gas Well | 8. Well Name and No. San Juan 28-7 Unit #124F | | | | | | | | |
| Name of Operator ConocoPhillips Co. | 9. API Well No. | | | | | | | | |
| 3a. Address | 30-039-27068 | | | | | | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | Field and Pool, or Exploratory Area Blanco Mesaverde/Basin Dakota | | | | |
| Sec 11 T27N R7W SESW | 11. County or Parish, State Rio Arriba NM | | | | | | | | |
| 12. CHECK AF | PROPRIATE BOX(ES) TO | INDICATE NATURE O | F NOTICE, RE | PORT, OR O | THER DATA | | | | |
| TYPE OF SUBMISSION | F ACTION | | | | | | | | |
| ☐ Notice of Intent | | Deepen | Production (Start/ | Resume) | | | | | |
| Subsequent Report | Alter Casing | ☐ Fracture Treat ☐ ☐ New Construction ☐ | Reclamation Recomplete | <u>□</u> [<u>X</u>] | Well Integrity Other Allocation | | | | |
| | ☐ Casing Repair ☐ Change Plans ☐ | Plug and Abandon | Temporarily Abanc | | Other | | | | |
| ☐ Final Abandonment Notice | ☐ Convert to Injection [| Plug Back | Water Disposal | | | | | | |
| following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) ConocoPhillips requests allocation on this well as per attached. This is in reference to DHC#1491AZ. OCT 2005 OCT 2 | | | | | | | | | |
| I hereby certify that the foregoin Name (Printed/Typed) | ng is true and correct | Title | | 00 | 1 lather | | | | |
| Christina Gustartis Signature | | Regulatory | Specialist | FIEL | MANAGER | <u> </u> | | | |
| Chi & | Lustastu | 10/12/2005 | | | | | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | | | | |
| Approved by | MA | Title | | Date | And the second s | | | | |
| Conditions of approval, if any, are certify that the applicant holds legal which would entitle the applicant to | or equitable title to those rights in conduct operations thereon. | the subject lease | | | | | | | |
| Title 18 IJS C Section 1001 make | e it a crime for any person knowin | alv and willfully to make to an | st department or ac | enoughtha I Init | ad Ctatas and false fine | | | | |

fraudulent statements or representations as to any matter within its jurisdiction.

Allocation for the San Juan 28-7 Unit #124F (API 30-039-27068)

The San Juan 28-7 Unit #124F is an 80-acre Mesaverde/80-acre Dakota infill well located in the southwest guarter of Section 11-T27N-R7W, Rio Arriba County, NM. The well was TD'd in June 2005, perforated & fracture stimulated in July 2005, and ready for first delivery on September 13, 2005.

Initial flow tests as reported by the field operator indicated:

Mesaverde (2-3/8" tubing at 5,399', perfs 4,791-5,472' OA, composite plug at 5,610')

8/11/05 ½" choke 300 psi ftp 580 psi sicp 1,980 MCFPD + 3 BOPD + 12 BWPD

Dakota (2-3/8" tubing set at 7,265', perfs 7,377-7,560' OA, PBTD 7,614' Sj MD, multi-pass production log)

1,161* MCFPD + 5.8 BOPD + 0 BWPD 9/12/05 1/2" choke 350 psi ftp 730 psi sicp

Based on these initial stabilized flow tests, calculated DHC allocation percentages are:

63%

Fixed Allocation (Gas) Mesaverde Dakota 37%

Fixed Allocation (Oil) Mesaverde 63% Dakota

37%

Little oil was produced during the tests. Based on production data from offset wells, Dakota and Mesaverde are expected to produce with similar gas to condensate ratios. Therefore oil production is allocated using the same percentage as for gas production.

Please allocate production based on the above estimated percentages.

Call with questions

Tom Johnson 832-486-2347

*Rate measured with a production log, making multiple passes at varying speeds. Casing was shut-in, with all production directed up tubing. Tubing set ~100' above the top Dakota perforation makes it possible to gauge a Dakota rate isolated from any Mesaverde influence (log run below the point where the shallower Mesaverde has already turned the corner and is going up tubing).