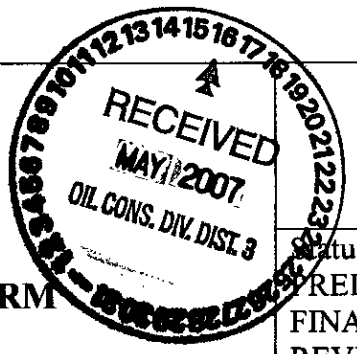
Area: «TEAM»



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Well File
Revised: March 9, 2006

BURLINGTON RESOURCES

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY ☐
FINAL ☐
REVISED ☒

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

Date: **5/14/2007**

API No. **30-039-25268**
DHC No. **DHC906**
Lease No. **SF-078423**

Well Name
SAN JUAN 29-7 UNIT

Well No.
#519

Unit Letter	Section	Township	Range	Footage	County, State
B	**08**	**T029N**	**R007W**	**790' FNL & 1535' FEL**	**Rio Arriba County, New Mexico**

Completion Date
08/05/1993

Test Method
HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
FRUITLAND COAL		**51%**		**0%**
PICTURED CLIFFS		**49%**		**100%**

JUSTIFICATION OF ALLOCATION: It is recommended that the allocation for the San Juan 29-7 Unit 519 be adjusted based on an analysis of CO2 content of the produced gas. This well is in a unique area of the Fruitland Coal reservoir. It is straddling the demarcation line between the over-pressured (Fairway) and the under-pressured (non-Fairway) portions of the reservoir. Because of the proximity to this boundary, coal performance in the area is very erratic and not enough reliable data is available for use in an allocation. Mapping and pressure data indicate that this well is producing from the over-pressured (Fairway) portion of the Coal reservoir. The measured CO2 content of the SJ 29-7 Unit 519 is currently 8%. This is between the average CO2 content of 1.8% in offset PC wells and 13.9% for offset Fairway Coal wells. The 8% CO2 content would correspond to a 51% Fruitland Coal and 49% Pictured Cliffs allocation. More detail for the calculation, and the most recent SJ 29-7 Unit 519 gas analysis are attached as backup.

APPROVED BY	DATE	TITLE	PHONE
X Jim Schlabaugh	5.14.07	Engineer	505-326-9788
X Wendy Payne	5/14/07	Engineering Tech.	505-326-9533

San Juan 29-7 Unit 519

Allocation based on CO2 content
5/9/2007

	CO2 (mole frac)	
PC	0.018	Average since 1/1/2005
FC	0.139	Average since 1/1/2005
SJ 29-7 519	0.080	Sample date: 5/7/2007

PC allocation	**0.49**
FC allocation	**0.51**

Single Zone completions within one mile of subject well
Only overpressured (Fairway) coal wells are included

PC wells:
SAN JUAN 29-7 UNIT 92
SAN JUAN 29-7 UNIT 154
SAN JUAN 29-7 UNIT 155
SAN JUAN 29-7 UNIT 159
SAN JUAN 29-7 UNIT 168
SAN JUAN 29-7 UNIT 169
SAN JUAN 29-7 UNIT 170
SAN JUAN 29-7 UNIT 175
SAN JUAN 29-7 UNIT 181
SAN JUAN 29-7 UNIT 182
SAN JUAN 29-7 UNIT 183

FC wells:
SAN JUAN 29-7 UNIT 534
SAN JUAN 29-7 UNIT 544

2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. BU270149
CUST. NO. 52100 - 11060

WELL/LEASE INFORMATION

CUSTOMER NAME	BURLINGTON RESOURCES	SOURCE	
WELL NAME	SAN JUAN 29-7 #519	PRESSURE	105 PSI G
COUNTY/ STATE	RIO ARRIBA NM	SAMPLE TEMP	N/A DEG.F
LOCATION	B08-29N-07W	WELL FLOWING	Y
FIELD		DATE SAMPLED	05/07/2007
FORMATION	FC/PC	SAMPLED BY	DR/LC
CUST.STN.NO.		FOREMAN/ENGR.	JOEL LEE

REMARKS H2S= NOT DETECTED

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.071	0.0000	0.00	0.0007
CO2	7.995	0.0000	0.00	0.1215
METHANE	89.807	0.0000	909.12	0.4975
ETHANE	1.325	0.3542	23.50	0.0138
PROPANE	0.532	0.1465	13.42	0.0081
I-BUTANE	0.090	0.0294	2.93	0.0018
N-BUTANE	0.089	0.0281	2.91	0.0018
I-PENTANE	0.024	0.0088	0.96	0.0006
N-PENTANE	0.015	0.0054	0.60	0.0004
HEXANE PLUS	0.052	0.0232	2.75	0.0017
TOTAL	100.000	0.5956	956.19	0.6478

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY
** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBLITY FACTOR	(1/Z)	1.0020
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	958.5
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	942.7
REAL SPECIFIC GRAVITY		0.6492

GPM, BTU, and SPG calculations as shown above are based on current GPA factors.

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	953.3
DRY BTU @ 14.696	956.3
DRY BTU @ 14.730	958.5
DRY BTU @ 15.025	977.7

CYLINDER #	29590000
CYLINDER PRESSURE	90 PSIG
DATE RUN	05/08/2007
ANALYSIS RUN BY	ROSEANN MUNIZ