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PRODUCTION ALLOCATION FORM

 FEB 05 2010
 Bureau of Land Management
 Fairchild

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 Well File
 Revised: March 9, 2006

 Status
 PRELIMINARY ☐
 FINAL ☒
 REVISED ☐

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

Date: 12/23/2009

API No. 30-039-07314

DHC No. DHC365AZ

Lease No. NMSF078500A

 Well Name
 San Juan 28-7 Unit

 Well No.
 #057

Unit Letter G	Section 30	Township T028N	Range R007W	Footage 1840' FNL & 1460' FEL	County, State Rio Arriba County, New Mexico
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Completion Date	Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>
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 RCVD FEB 12 '10
 OIL CONS. DIV.
 DIST. 3

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE	111 MCFD	74%		100%
PICTURED CLIFFS	38 MCFD	26%		0%
	149			

JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the down hole commingle of the San Juan 28-7 Unit 57 be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Based on existing offset production, shallow zones do not make any oil. All oil will be allocated to the parent formation.

APPROVED BY	DATE	TITLE	PHONE
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NMOCD