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 <b>PRODUCTION ALLOCATION FORM</b>					FEB 05 2010 Bureau of Land Management Farmington Field Office	Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input type="checkbox"/>	
Well Name <b>San Juan 28-7 Unit</b>					Date: <b>12/30/2009</b> API No. <b>30-039-21083</b> DHC No. <b>DHC2995</b> Lease No. <b>NMSF078835A</b>	
Unit Letter <b>M</b>	Section <b>7</b>	Township <b>T027N</b>	Range <b>R007W</b>	Footage <b>1090' FSL &amp; 990' FWL</b>	County, State <b>Rio Arriba County,          New Mexico</b>	
Completion Date <i>1/1</i>		Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>				
FORMATION		GAS		PERCENT	CONDENSATE	PERCENT
DAKOTA		21 MCFD		18%		36%
MESAVERDE		58 MCFD		49%		64%
CHACRA		39 MCFD		33%		0%
		118				
JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the down hole commingle of the San Juan 28-7 Unit 244 be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Oil allocation is based on the yield ratio. Yields were determined from basin-wide Dakota and Mesaverde yield maps. Based on offset wells the Chacra formation does not produce oil.						
APPROVED BY		DATE		TITLE		PHONE
<i>Joe Hermit</i>		<i>2-10-10</i>		<i>Geo</i>		<i>599-6215</i>
X <i>[Signature]</i>		<i>1/8/10</i>		Engineer		505-599-4076
Bill Akwari						
X <i>Kandis Roland</i>		<i>12/30/09</i>		Engineering Tech.		505-326-9743
Kandis Roland						

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