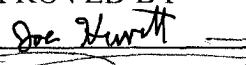
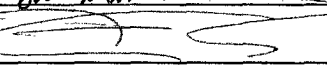
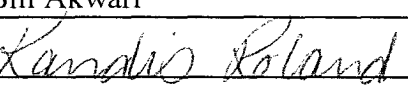
						Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006	
<b>PRODUCTION ALLOCATION FORM</b>						Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>	
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>						Date: 1/10/2011 API No. 30-039-25136 DHC No. DHC4201AZ Lease No. SF-078999	
Well Name <b>San Juan 31-6 Unit</b>						Well No. <b>#36E</b>	
Unit Letter <b>I</b>	Section <b>27</b>	Township <b>T031N</b>	Range <b>R006W</b>	Footage <b>1484' FSL &amp; 836' FEL</b>	County, State <b>Rio Arriba County, New Mexico</b>		
Completion Date <b>11/24/2010</b>		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>					
<p>JUSTIFICATION OF ALLOCATION: ConocoPhillips requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Mesaverde and the added formation to be commingled is the Pictured Cliffs. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production. All production from this well exceeding the forecast will be allocated to the new formation(s). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast.</p> <p>There was no previous condensate production from the Mesaverde therefore 100% condensate will be allocated to the Pictured Cliffs.</p>							
APPROVED BY				DATE	TITLE	PHONE	
				3-1-11	Geo	599-6265	
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Bill Akwari							
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**NMOCD**