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Regulatory
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Well File
Revised: March 9, 2006

Hilcorp Energy Company

Farmington Field Office
Bureau of Land Management

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Date: 3/7/18

API No. 30-045-25608

DHC No. DHC 3976AZ

Lease No. 080724-A

Federal

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Well Name

Zachry

Well No.

#48

Unit Letter

G

Section

34

Township

T029N

Range

R010W

Footage

1980' FNL & 2145' FEL

County, State

San Juan,
New Mexico

Completion Date

3/3/2018

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Gallup and the added formation to be commingled is the Mesaverde. 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.

Oil production will be allocated based on average formation yields from offset wells. MV- 84%, GP- 16%

APPROVED BY	DATE	TITLE	PHONE
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DISTRICT III