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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 ☐

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 3/28/2018

API No. 30-039-22625

DHC No. DHC 3979AZ

Lease No. SF-078417

Federal

Well Name

San Juan 28-7 Unit

Well No.

#134E

Unit Letter

E

Section

21

Township

T028N

Range

R007W

Footage

1850' FNL & 865' FWL

County, State

Rio Arriba,
New Mexico

Completion Date

3/24/18

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 Dakota 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- 55%, DK- 45%

APPROVED BY

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DATE

4/2/2018

TITLE

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NMOCD

APR 05 2018

NMOCD

DISTRICT III