

APR 05 2018

DISTRICT III

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Well File

Revised: March 9, 2006

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Commingle Type
SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 4/4/18

API No. 30-045-20268

DHC No. DHC4004AZ

Lease No. E-2940

State

Well Name

State E Gas Com

Well No.

#1

Unit Letter

O

Section

16

Township

T029N

Range

R010W

Footage

820' FSL & 1800' FEL

County, State

San Juan,
New Mexico

Completion Date

3/27/2018

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 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- 97%, DK- 3%

APPROVED BY

DATE

TITLE

PHONE

X

Kandis Roland

4/4/18

Regulatory/Operations Tech

505-324-5149

Kandis Roland