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## Hilcorp Energy Company

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Revised: March 9, 2018

## PRODUCTION ALLOCATION FORM

NMOCD

Status

PRELIMINARY ☒FINAL ☐REVISED ☐

Commingled Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLED ☐

MAY 18 2018

DISTRICT III

Date: 5/9/2018

API No. 30-039-29465

DHC No. DHC 3992AZ

Lease No. NMSF078642

Federal

Well Name

San Juan 29-5 Unit

Well No.

#17C

Unit Letter

I

Section

05

Township

T29N

Range

R05W

Footage

2165'FSL &amp; 1205'FEL

County, State

Rio Arriba,  
New Mexico

Completion Date

4/28/2018

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingled 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.

Oil production will be allocated based on average formation yields from offset wells: PC - 28%, MV- 72%

APPROVED BY

DATE

TITLE

PHONE

William Tambelton

5/15/2018

Petroleum Engineer

505-564-7246

X

Area Operations Manager

713-209-2449

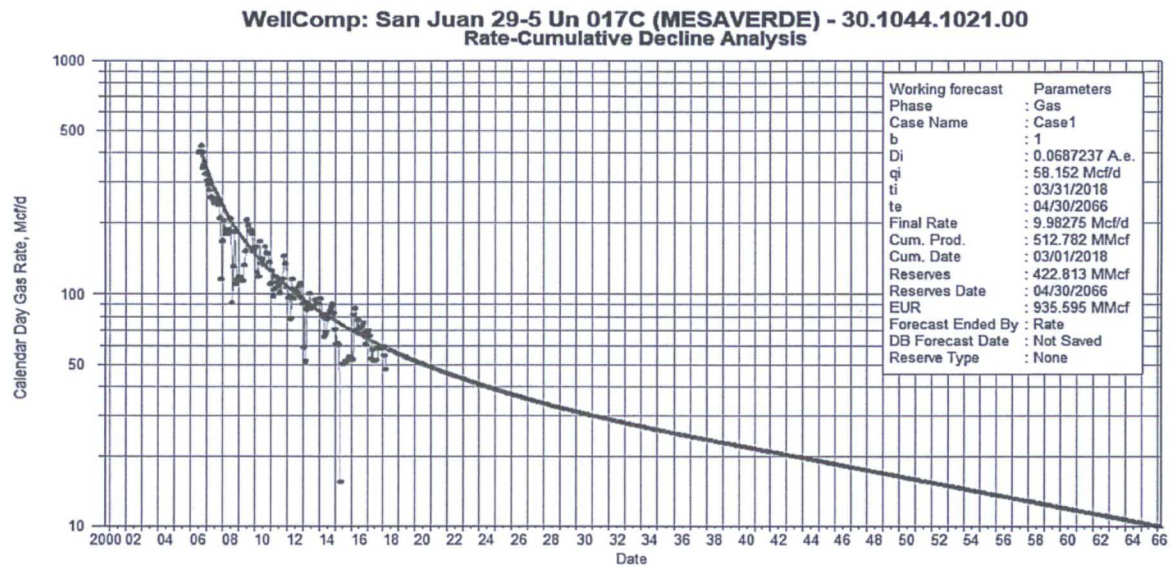
Nick Kunze

NMOCD

## San Juan 29-5 Unit 17C Subtraction Allocation

Date	Mcf/d
Apr-18	57.98
May-18	57.62
Jun-18	57.27
Jul-18	56.93
Aug-18	56.58
Sep-18	56.24
Oct-18	55.91
Nov-18	55.58
Dec-18	55.26
Jan-19	54.93
Feb-19	54.62
Mar-19	54.32
Apr-19	54.01
May-19	53.7
Jun-19	53.39
Jul-19	53.09
Aug-19	52.79
Sep-19	52.5
Oct-19	52.21
Nov-19	51.92
Dec-19	51.64
Jan-20	51.35
Feb-20	51.08
Mar-20	50.81
Apr-20	50.54
May-20	50.27
Jun-20	50
Jul-20	49.74
Aug-20	49.47
Sep-20	49.21
Oct-20	48.96
Nov-20	48.71
Dec-20	48.46
Jan-21	48.2
Feb-21	47.97
Mar-21	47.73
Apr-21	47.49
May-21	47.25
Jun-21	47.02
Jul-21	46.79
Aug-21	46.55
Sep-21	46.32
Oct-21	46.1
Nov-21	45.87
Dec-21	45.65
Jan-22	45.43
Feb-22	45.22
Mar-22	45.01

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 using historic production. All production from this well exceeding the forecast will be allocated to the new formation. Oil production will be allocated based on average formation yields from offset wells.



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	0.249	422.8	72%
PC	0.05	802	28%