

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

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Accounting  
Well File

Revised: March 9, 2018

Status

PRELIMINARY ☒

FINAL ☐

REVISED ☐

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 8/13/2018

API No. 30-039-07659

DHC No. DHC 4042AZ

Lease No. NMNM03188

Federal

Well Name

San Juan 29-5 Unit

Well No.

#22

Unit Letter

L

Section

8

Township

T29N

Range

R05W

Footage

1790'FSL & 890'FWL

County, State

Rio Arriba,  
New Mexico

Completion Date

8/5/2018

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 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- 8%, MV- 92%

APPROVED BY

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DATE

8/20/2018

TITLE

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Area Operations Manager

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Nick Kunze

RECEIVED

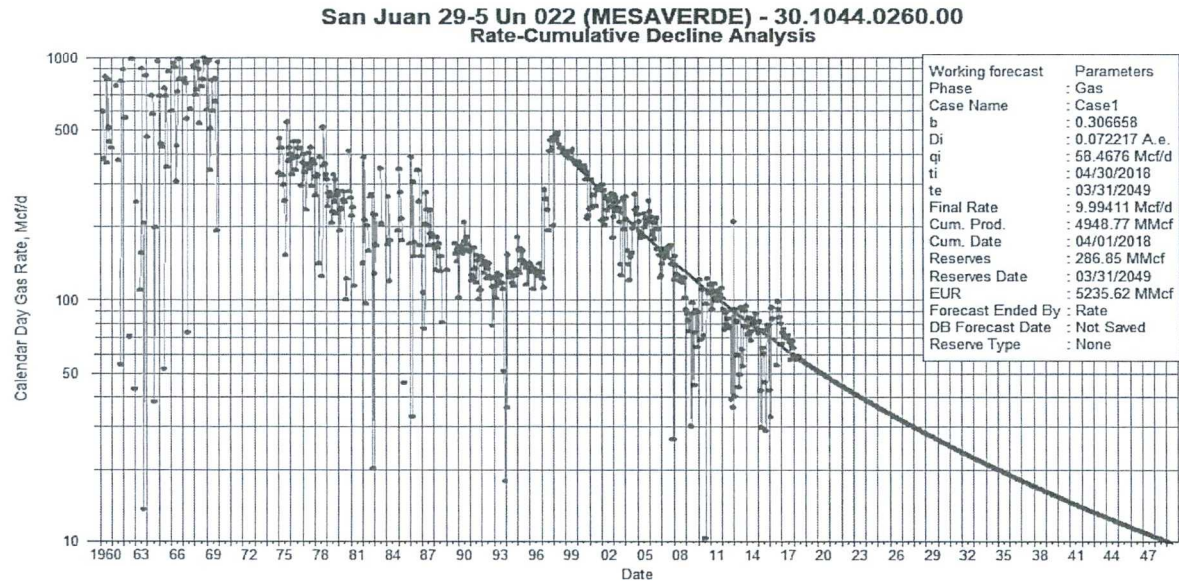
AUG 17 2018

NMOCD

Farmington Field Office  
Bureau of Land Management

## San Juan 29-5 Unit 22 Subtraction Allocation

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	2.018	286.85	92%
PC	0.05	957	8%

Date	Mcf/d
May-18	58.28
Jun-18	57.91
Jul-18	57.55
Aug-18	57.18
Sep-18	56.82
Oct-18	56.47
Nov-18	56.12
Dec-18	55.77
Jan-19	55.41
Feb-19	55.08
Mar-19	54.75
Apr-19	54.41
May-19	54.08
Jun-19	53.74
Jul-19	53.41
Aug-19	53.08
Sep-19	52.76
Oct-19	52.43
Nov-19	52.11
Dec-19	51.8
Jan-20	51.48
Feb-20	51.17
Mar-20	50.87
Apr-20	50.56
May-20	50.25
Jun-20	49.95
Jul-20	49.65
Aug-20	49.35
Sep-20	49.05
Oct-20	48.76
Nov-20	48.47
Dec-20	48.18
Jan-21	47.89
Feb-21	47.61
Mar-21	47.34
Apr-21	47.06
May-21	46.78
Jun-21	46.51
Jul-21	46.23
Aug-21	45.96
Sep-21	45.69
Oct-21	45.42
Nov-21	45.16
Dec-21	44.89
Jan-22	44.63
Feb-22	44.38
Mar-22	44.13
Apr-22	43.87