

AUG 22 2018

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Revised: March 9, 2018

## Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

Status  
PRELIMINARY ☒  
FINAL ☐  
REVISED ☐

Date: 8/14/2018

Commingled Type  
SURFACE ☐ DOWNHOLE ☒  
Type of Completion  
NEW DRILL ☐ RECOMPLETION ☒ PAY ADD ☐ COMMINGLED ☐API No. 30-039-29759  
DHC No. DHC 4048AZ  
Lease No. NMSF-078642  
Federal

AUG 25 2018

Well Name  
San Juan 29-5 Unit

DISTRICT III

Well No.  
#61A

Unit Letter	Section	Township	Range	Footage	County, State
O	09	T29N	R05W	1100'FSL & 2600'FEL	Rio Arriba, New Mexico

Completion Date	Test Method
8/10/2018	HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>

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 – 8% MV – 92%

APPROVED BY	DATE	TITLE	PHONE
<i>William Tambekou</i>	8/23/2018	Petroleum Engineer	505-564-7746
X <i>[Signature]</i>		Area Operations Manager	713-209-2449

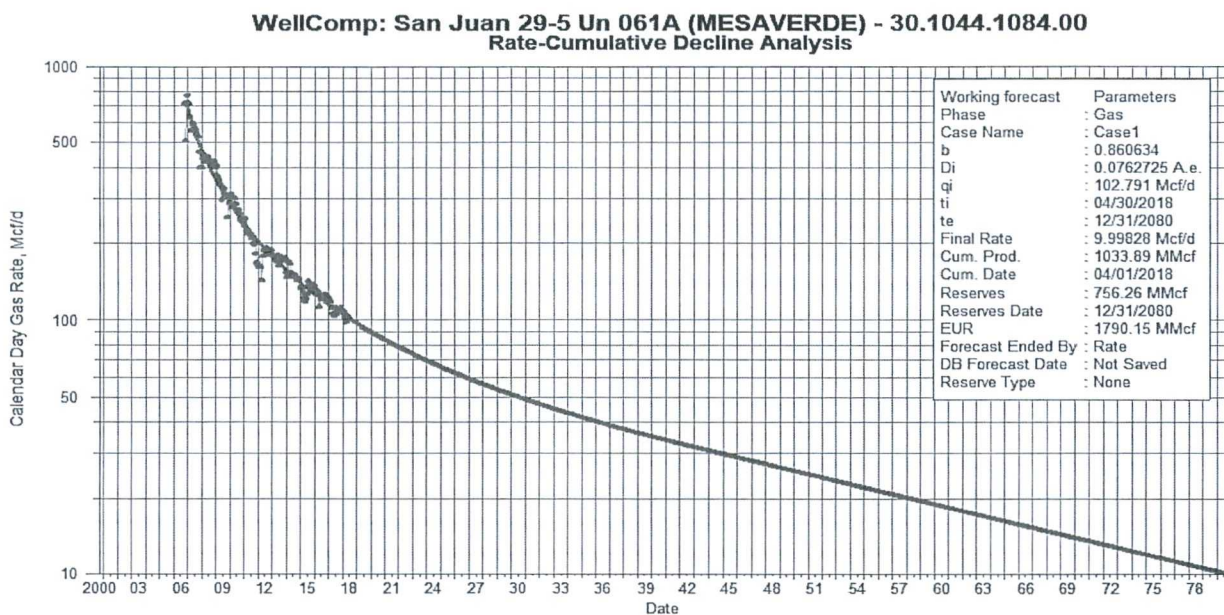
Nick Kunze

NMOCD

## San Juan 29-5 Unit 61A Subtraction Allocation

Date	Mcf/d
May-18	102.4
Jun-18	101.7
Jul-18	101.1
Aug-18	100.4
Sep-18	99.69
Oct-18	99.03
Nov-18	98.38
Dec-18	97.73
Jan-19	97.08
Feb-19	96.47
Mar-19	95.87
Apr-19	95.26
May-19	94.65
Jun-19	94.05
Jul-19	93.45
Aug-19	92.86
Sep-19	92.28
Oct-19	91.7
Nov-19	91.14
Dec-19	90.58
Jan-20	90.01
Feb-20	89.48
Mar-20	88.94
Apr-20	88.41
May-20	87.88
Jun-20	87.35
Jul-20	86.84
Aug-20	86.32
Sep-20	85.81
Oct-20	85.31
Nov-20	84.81
Dec-20	84.32
Jan-21	83.83
Feb-21	83.37
Mar-21	82.91
Apr-21	82.44
May-21	81.97
Jun-21	81.51
Jul-21	81.06
Aug-21	80.6
Sep-21	80.15
Oct-21	79.71
Nov-21	79.27
Dec-21	78.84
Jan-22	78.41
Feb-22	78
Mar-22	77.59
Apr-22	77.18

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	0.698	756.26	92%
PC	0.05	957	8%