

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

RECEIVED

AUG 24 2018

Farmington Office
Bureau of Land Management

Distribution:
NMOCD Original
BLM 5 Copies
Accounting
Well File
Revised: March 9, 2018

Status

PRELIMINARY ☒

FINAL ☐

REVISED ☐

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 8/24/2018

API No. 30-045-30417

DHC No. 4061AZ

Lease No. NMSF077648

Federal

Well Name

Davis

Well No.

8R

Unit Letter

J

Section

11

Township

31N

Range

12W

Footage

2270' FSL & 2140' FEL

County, State

San Juan,
New Mexico

Completion Date

8/14/2018

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: DK- 7%, MV- 93%

APPROVED BY	DATE	TITLE	PHONE
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NMOCD

AUG 28 2018

DISTRICT III

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