

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: 9/4/18

API No. 30-045-09619

DHC No. 4063AZ

Lease No. FEE

Well Name

Nell Hall

Well No.

1

Unit Letter

M

Section

07

Township

30N

Range

11W

Footage

**1000' FSL & 1100'
FWL**

County, State

**San Juan,
New Mexico**

Completion Date

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- 51%, MV- 49%

APPROVED BY	DATE	TITLE	PHONE
X <i>Amanda Walker</i>	9/4/18	Operations/Regulatory Tech – Sr.	505.324.5122
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NMOCD

SEP 05 2018

DISTRICT III