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Well File
Revised: March 9, 2018

Hilcorp Energy Company

Farmington Field Office
Bureau of Land Management

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Commingled Type
SURFACE ☐ DOWNHOLE ☒
Type of Completion
NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLED ☐

Date: 8/27/2018

API No. 30-045-11898
DHC No. DHC 4055AZ
Lease No. NMSF078138
Federal

Well Name
Marx Federal

Well No.
#1

Unit Letter	Section	Township	Range	Footage	County, State
P	20	T30N	R11W	985' FSL & 1160' FEL	San Juan, New Mexico

Completion Date: 8/22/2018
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 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: MV- 81%, DK- 19%

APPROVED BY	DATE	TITLE	PHONE
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DISTRICT III