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Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

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Regulatory
Accounting
Well File

Revised: March 9, 2006

Status

PRELIMINARY ☒FINAL ☐REVISED ☐

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 8/14/2018

API No. 30-039-21735

DHC No. DHC-4032

Lease No. SF-079290

Federal

Well Name

San Juan 28-7 Unit

Well No.

258

Unit Letter

K

Section

23

Township

T028N

Range

R07W

Footage

2480' FSL & 1615' FWL

County, State

Rio Arriba,
New Mexico

Completion Date

8/3/2018

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 Basin 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- 98%, DK- 2%

APPROVED BY

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DATE

8/31/2018

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SEP 06 2018

DISTRICT III

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