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 Revised: March 9, 2018

# Hilcorp Energy Company

Farmington Field Office  
 Bureau of Land Management

## PRODUCTION ALLOCATION FORM

Status  
 PRELIMINARY ☒  
 FINAL ☐  
 REVISED ☐

Commingle Type  
 SURFACE ☐ DOWNHOLE ☒  
 Type of Completion  
 NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 8/27/2018

API No. **30-045-11797**  
 DHC No. **4036AZ**  
 Lease No. **NMSF078147**  
 Federal

Well Name  
**Moore C**

Well No.  
**1**

Unit Letter	Section	Township	Range	Footage	County, State
<b>P</b>	<b>27</b>	<b>32N</b>	<b>12W</b>	<b>820' FSL &amp; 1105' FEL</b>	<b>San Juan, New Mexico</b>

Completion Date	Test Method
<b>8/12/2018</b>	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 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- 0%, MV- 100%

APPROVED BY	DATE	TITLE	PHONE
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DISTRICT III