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Well File
Revised: March 9, 2006

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

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

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Date: 8/14/2018

API No. 30-045-30351

DHC No. DHC-4297

Lease No. NM-03999

Federal

Well Name
Grambling

Well No.
5R

Unit Letter O	Section 27	Township T029N	Range R09W	Footage 765' FSL & 1955' FEL	County, State San Juan, New Mexico
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Completion Date
8/7/2018

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 Pictured Cliffs and the added formation to be commingled is the Fruitland Coal. 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.

Original base formation produced zero oil. All oil will be allocated to the new formation (FC).

APPROVED BY	DATE	TITLE	PHONE
<i>William Tambekou</i>	<i>8/31/2018</i>	<i>Petroleum Engineer</i>	<i>505-564-7746</i>
X <i>Christine Brock</i>	<i>8/28/18</i>	Regulatory/Operations Tech	505-324-5155
Christine Brock			

* No Allocation percentage, submit allocation percentage

NMOCD

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SEP 06 2018

DISTRICT III