

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: **08/22/2018**

API No. **30-45-34049**
DHC No. **DHC 4018AZ**
Lease No. **NMNM0555078**
Federal

Well Name
Helms Federal

Well No.
1F

Unit Letter	Section	Township	Range	Footage	County, State
I	22	30N	10W	2610' FSL & 820' FWL	San Juan, New Mexico

Completion Date	Test Method
08/11/2018	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- 2%, MV- 98%

APPROVED BY	DATE	TITLE	PHONE
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DISTRICT III