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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: 8/28/2018

API No. 30-045-21787  
DHC No. DHC-2265-A  
Lease No. E-6288  
State

Well Name  
Koch State Com

Well No.  
1A

Unit Letter	Section	Township	Range	Footage	County, State
I	36	T029N	R09W	2110' FSL & 620' FEL	San Juan, New Mexico

Completion Date	Test Method
8/7/2018	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 Pictured Cliffs and Mesaverde 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.

Oil production will be allocated based on average formation yields from offset wells. MV- 100%, PC- 0%, FC- 0%

APPROVED BY	DATE	TITLE	PHONE
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DISTRICT III