

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

RECEIVED

SEP 10 2018

Distribution:
NMOCD Original
BLM 5 Copies
Accounting
Well File

Revised: March 9, 2018

Farmington Field Office
Bureau of Land Management

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

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

Date: 8/23/2018

API No. 30-039-29742
DHC No. DHC 4020AZ
Lease No. NMSF078343
Federal

Well Name
San Juan 29-5 Unit

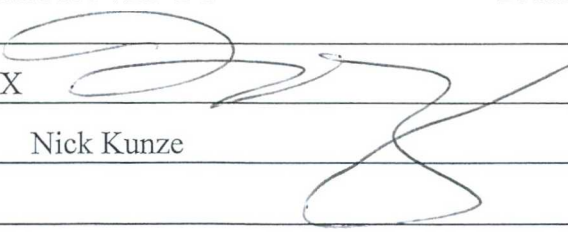
Well No.
#17B

Unit Letter	Section	Township	Range	Footage	County, State
H	5	T29N	R05W	2110'FNL & 310'FEL	Rio Arriba, New Mexico

Completion Date: 8/17/2018
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 Mesaverde and the added formation to be commingled is the Pictured Cliffs. 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: PC - 25%, MV - 75%

APPROVED BY	DATE	TITLE	PHONE
X 		Area Operations Manager	713-209-2449
Nick Kunze			
		ACCEPTED FOR RECORD	
		OCT 03 2018	

NMOCD

OCT 09 2018

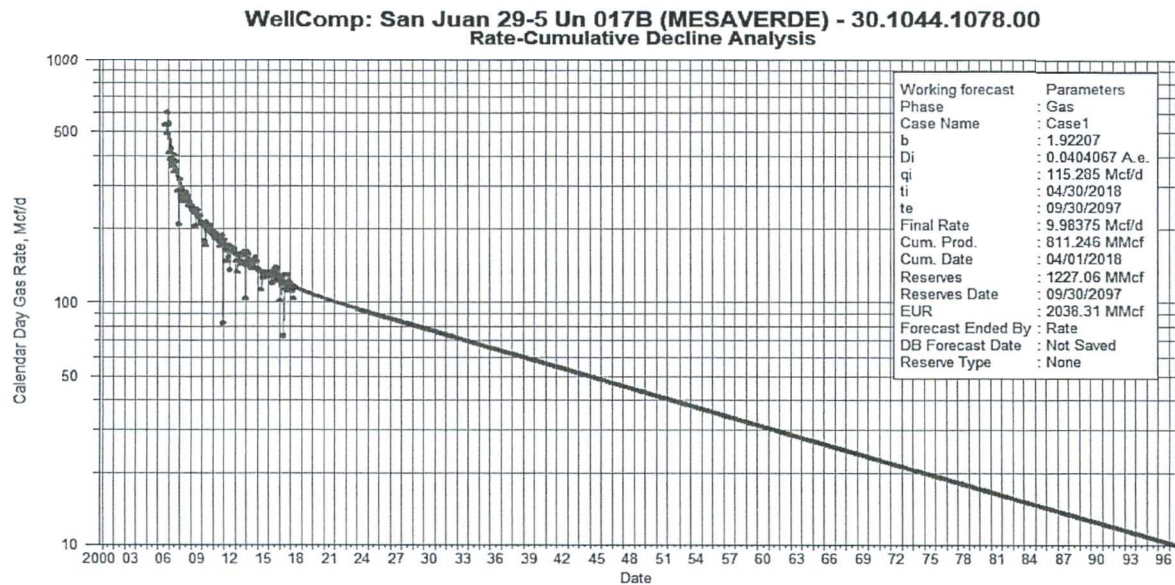
DISTRICT III

NMOCD

FARMINGTON FIELD OFFICE
By: 

San Juan 29-5 Unit 17B Subtraction Allocation

Base formation is the Mesaverde and the added formation to be commingled is the Pictured Cliffs. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the forecast will be allocated to the new formation. Oil production will be allocated based on average formation yields from offset wells.



Date	Mcf/d
May-18	115.1
Jun-18	114.7
Jul-18	114.3
Aug-18	113.9
Sep-18	113.5
Oct-18	113.1
Nov-18	112.7
Dec-18	112.3
Jan-19	111.9
Feb-19	111.5
Mar-19	111.2
Apr-19	110.8
May-19	110.4
Jun-19	110.1
Jul-19	109.7
Aug-19	109.4
Sep-19	109
Oct-19	108.7
Nov-19	108.3
Dec-19	108
Jan-20	107.6
Feb-20	107.3
Mar-20	107
Apr-20	106.6
May-20	106.3
Jun-20	106
Jul-20	105.7
Aug-20	105.3
Sep-20	105
Oct-20	104.7
Nov-20	104.4
Dec-20	104.1
Jan-21	103.8
Feb-21	103.5
Mar-21	103.2
Apr-21	102.9
May-21	102.6
Jun-21	102.3
Jul-21	102
Aug-21	101.7
Sep-21	101.4
Oct-21	101.2
Nov-21	100.9
Dec-21	100.6
Jan-22	100.3
Feb-22	100.1
Mar-22	99.79
Apr-22	99.52

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	0.115	1227.06	75%
PC	0.05	957	25%