

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

RECEIVED

DEC 13 2018

Farmington Field Office
Bureau of Land Management

Distribution:
NMOCD Original
BLM 5 Copies
Accounting
Well File
Revised: March 9, 2018

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

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

Date: 12/12/2018

API No. 30-039-26625
DHC No. DHC 3997AZ
Lease No. NMSF079392
Federal

Well Name
San Juan 27-5 Unit

Well No.
#138F

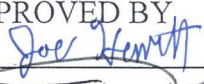
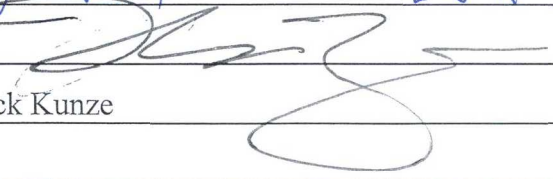
Unit Letter	Section	Township	Range	Footage	County, State
A	19	T27N	R05W	835'FNL & 660'FEL	Rio Arriba, New Mexico

Completion Date
11/16/2018

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 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: MV - 100%, DK - 0%

APPROVED BY	DATE	TITLE	PHONE
	12-18-18	Geo	564-7740
X 		Area Operations Manager	713-209-2449
Nick Kunze			

NMOCD

DEC 21 2018

DISTRICT III

NMOCD

3