

# 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: 12/03/2018

API No. 30-045-13030

DHC No. DHC-4842

Lease No. NMSF-078518-A

Federal

Well Name

Huerfano Unit

Well No.

#137

Unit Letter  
J

Section  
31

Township  
T026N

Range  
R009W

Footage  
1657' FSL & 1600' FEL

County, State  
San Juan, New Mexico

Completion Date

11/20/2018

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 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: DK- 100%, PC- 0%

APPROVED BY

DATE

TITLE

PHONE

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NMOCD

DEC 21 2018

NMOCD

DISTRICT III