

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

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

Status  
PRELIMINARY ☒  
FINAL ☐  
REVISED ☐

NMOCD

NOV 07 2018

DISTRICT III

Commingle Type  
SURFACE ☐ DOWNHOLE ☒

Type of Completion  
NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 11/6/2018

API No. 30-045-20328

DHC No. 4057AZ

Lease No. Fee

Well Name

Vasaly

Well No.

2

Unit Letter

K

Section

31

Township

32N

Range

11W

Footage

1850' FSL & 1600' FWL

County, State

San Juan,  
New Mexico

Completion Date

11/1/2018

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: DK- 2%, MV- 98%

APPROVED BY

DATE

TITLE

PHONE

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