

# 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: 11/14/2018

API No. 30-045-23643

DHC No. 4079AZ

Lease No. FEE

Well Name

**GRENIER**

Well No.

**17E**

Unit Letter

**L**

Section

**06**

Township

**31N**

Range

**11W**

Footage

**1680' FSL & 1160' FWL**

County, State

**SAN JUAN,  
New Mexico**

Completion Date

**11/5/2018**

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- 1%, MV- 99%

APPROVED BY

DATE

TITLE

PHONE

X *Amanda Walker*

11/14/18

Operations/Regulatory Tech – Sr.

505.324.5122

**NMOCD**

**NOV 19 2018**

**DISTRICT III**