

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
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Regulatory
Accounting
Well File

Revised: March 9, 2006

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Commingle Type
SURFACE ☐ DOWNHOLE ☒

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

NMOC

Date: 02/11/2019

API No. 30-045-25146
DHC No. DHC-4066AZ
Lease No. E-6515

Well Name
State B Gas Com

Well No.
#1E

Unit Letter
E

Section
16

Township
T29N

Range
R10W

Footage
1800' FNL & 1180' FWL

County, State
San Juan, New Mexico

Completion Date

02/02/2019

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 Basin 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- 86%, DK- 14%

APPROVED BY

DATE

TITLE

PHONE

X Cherylene Weston 2-11-19

Operations/Regulatory Tech

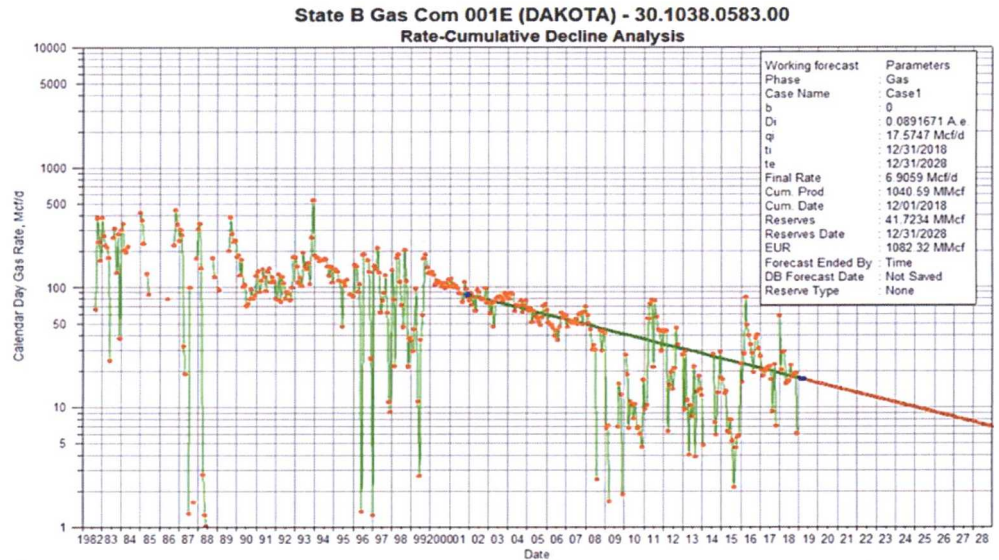
505-564-0779

Cherylene Weston

State B Gas Com 1E Subtraction Allocation

Date	Mcfd
2/2019	17.51
3/2019	17.37
4/2019	17.24
5/2019	17.11
6/2019	16.98
7/2019	16.84
8/2019	16.71
9/2019	16.58
10/2019	16.45
11/2019	16.32
12/2019	16.2
1/2020	16.07
2/2020	15.95
3/2020	15.82
4/2020	15.7
5/2020	15.58
6/2020	15.46
7/2020	15.34
8/2020	15.22
9/2020	15.1
10/2020	14.98
11/2020	14.87
12/2020	14.75
1/2021	14.64
2/2021	14.52
3/2021	14.41
4/2021	14.3
5/2021	14.19
6/2021	14.08
7/2021	13.97
8/2021	13.86
9/2021	13.75
10/2021	13.65
11/2021	13.54
12/2021	13.44
1/2022	13.33
2/2022	13.23
3/2022	13.13
4/2022	13.03
5/2022	12.93
6/2022	12.83
7/2022	12.73
8/2022	12.63
9/2022	12.53
10/2022	12.43
11/2022	12.34
12/2022	12.24
1/2023	12.14

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 using historic production. All production from this well exceeding the forecast will be allocated to the new formation.



Formation	Yield (bbl/MM)	Reserves (MMcf)	Allocation
Dakota	6.78	41.723	14%
Mesaverde	2.03	878	86%