

FEB 14 2019

DISTRICT III

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 Well File
 Revised: March 9, 2018

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Status
 PRELIMINARY ☒
 FINAL ☐
 REVISED ☐

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

Date: 2/12/2019
 API No. 30-045-25670
 DHC No. DHC-574-0
 Lease No. FEE

Well Name
Abrams L

Well No.
1

Unit Letter M	Section 26	Township 29N	Range 10W	Footage 330' FSL, 330' FWL	County, State San Juan County, New Mexico
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Completion Date

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 Gallup 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: GL- 76%, MV- 24%

APPROVED BY	DATE	TITLE	PHONE
X <i>Christine Brock</i>	<i>2/12/19</i>	Operations/Regulatory Tech – Sr.	505-324-5155
Christine Brock			