

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

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Regulatory
Accounting
Well File

Revised: March 9, 2006

Status
PRELIMINARY ☐
FINAL ☐
REVISED ☒

NMOC

FEB 25 2019

DISTRICT III

Commingle Type
SURFACE ☐ DOWNHOLE ☒

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

Date: 02/22/2019

API No. 30-045-23744

DHC No. DHC-3064

Lease No. E-3149-11

Well Name
State Com AD

Well No.
#26E

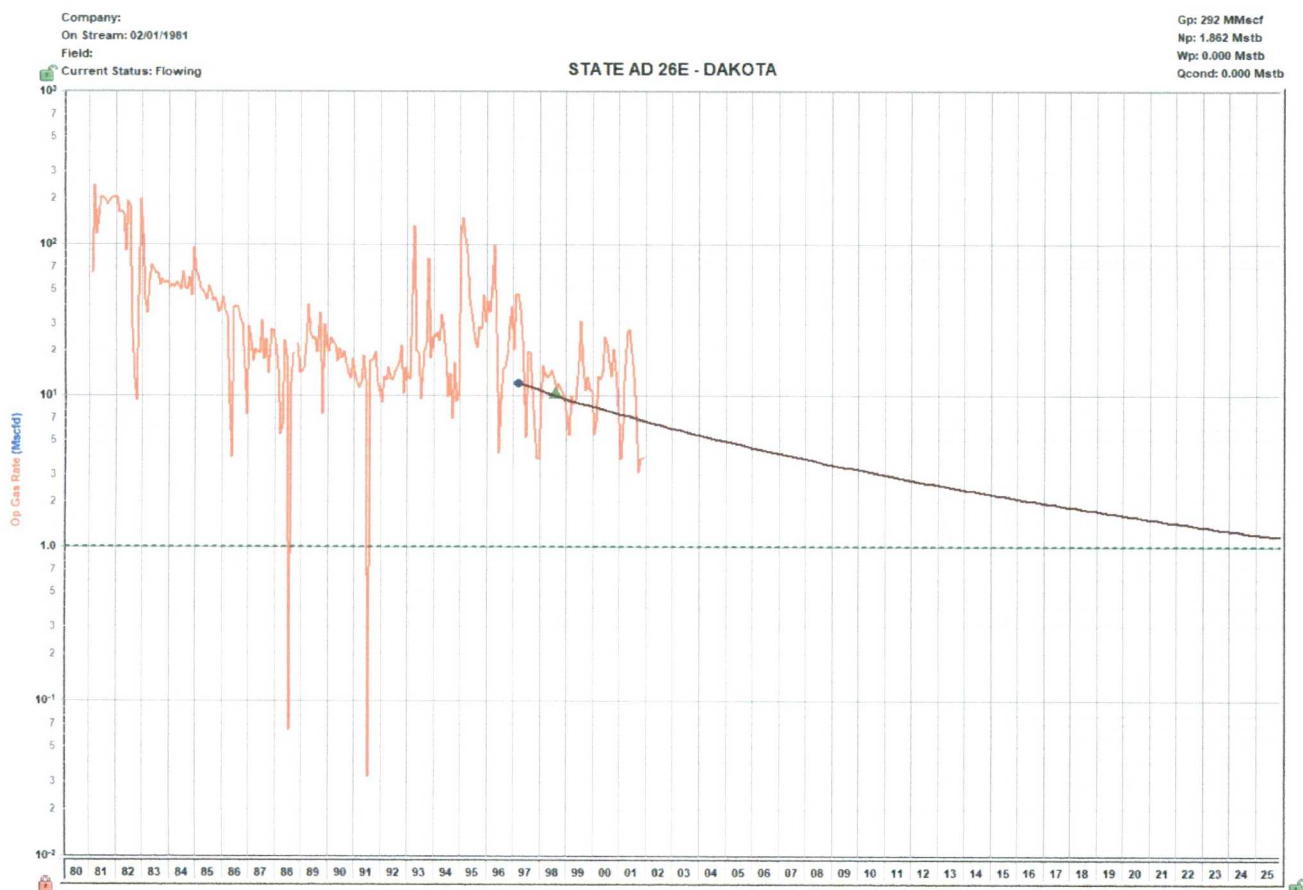
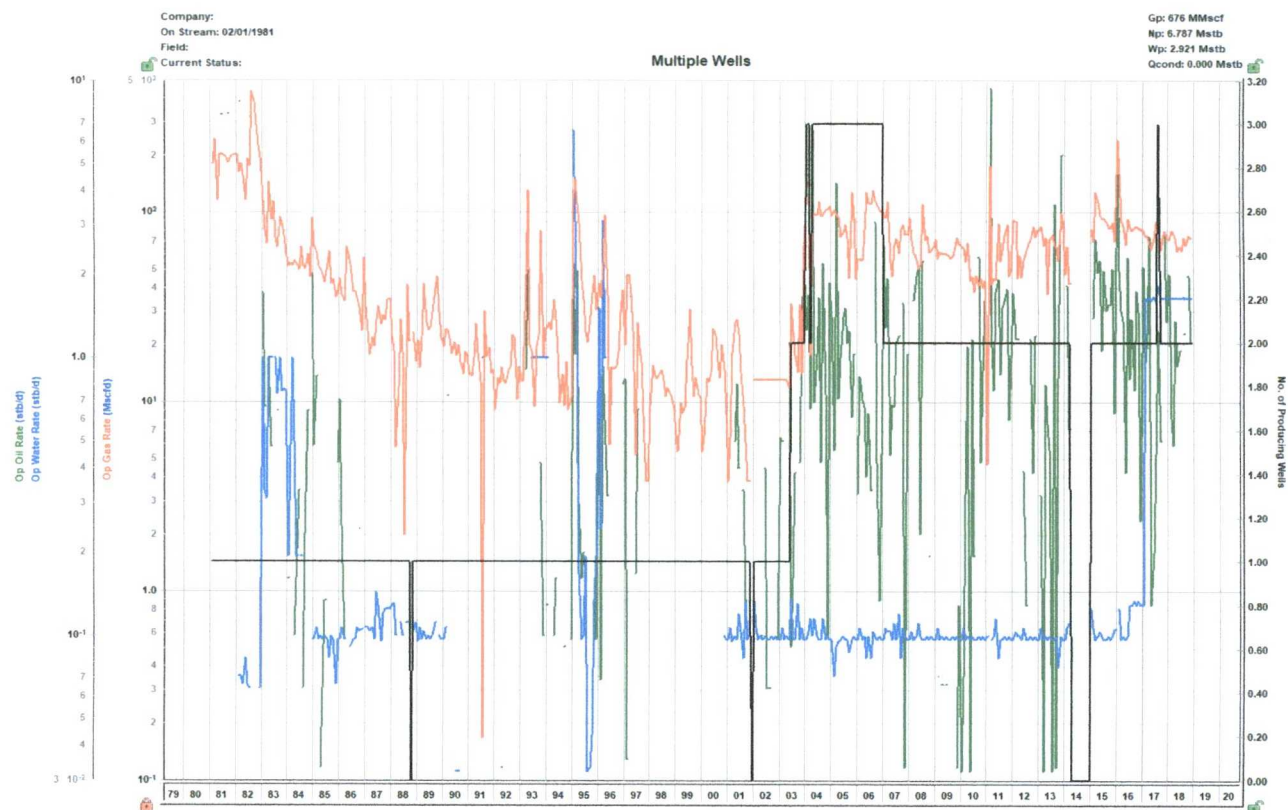
Unit Letter	Section	Township	Range	Footage	County, State
I	36	T29N	R11W	1510' FSL & 830' FEL	San Juan, New Mexico

Completion Date	Test Method
01/17/2002	HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>

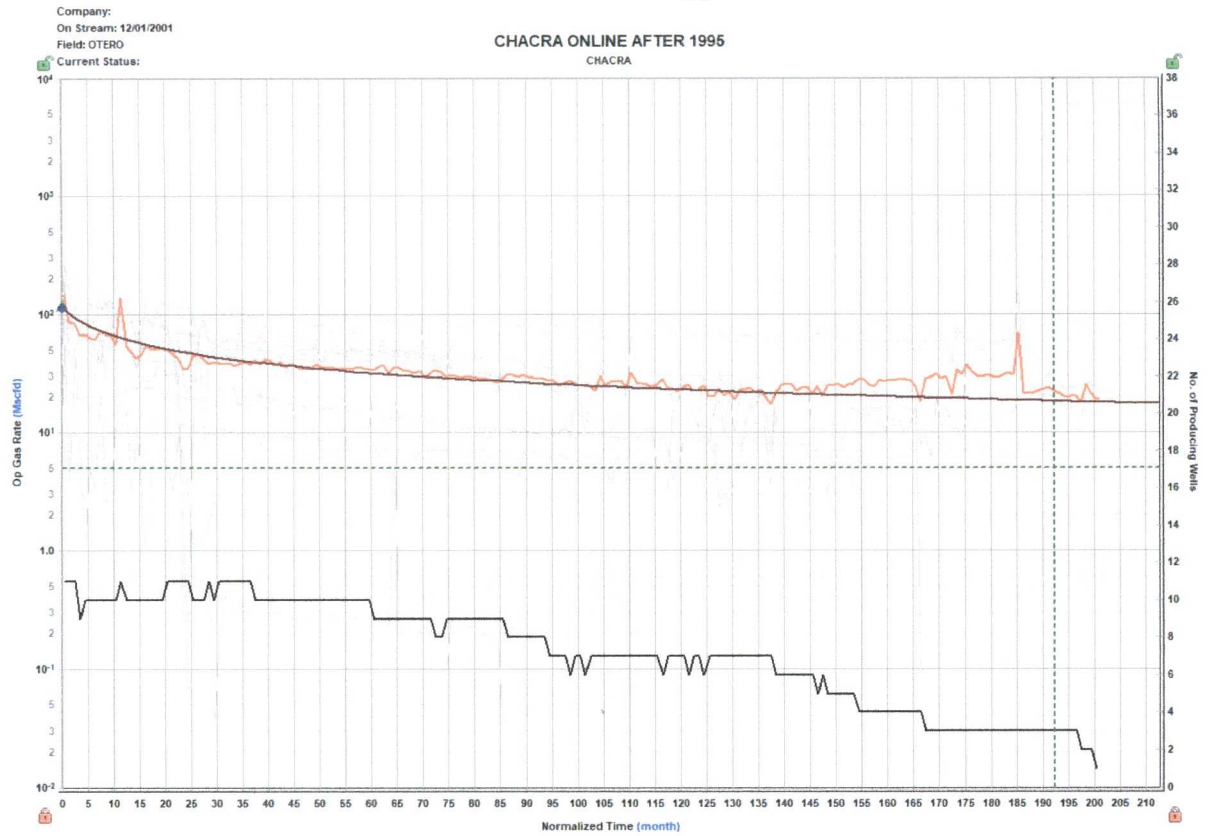
JUSTIFICATION OF ALLOCATION: The Gallup was completed in early 2002 and commingled with the Dakota formation. The allocation method used was subtraction based with the Dakota providing a reliable allocation baseline for Gallup uplift. However, there are concerns about the quality of the historical production data during the period of Gallup/Dakota commingled production. The Chacra was completed and all three zones trimingled in early 2003. The quality of the historical production appears to be restored with substantial uplift but any subtraction allocation attempted will be biased against the Gallup initially. The historical approach was to use subtraction to allocate to the Chacra and then in 2005 the production was reallocated based upon the successive subtraction allocations but all of the data appears to be questionable. Additionally, the initial test data for the Chacra and Gallup completions does not support the current allocation of immaterial Chacra production and average Gallup production. As such, the updated proposed allocation is to use subtraction method to allocate production to the Dakota and combined Gallup/Chacra completions. The Gallup and Chacra allocation method employed is then based upon review of the offset 9-section Gallup and Chacra producers from the same completion vintage and applied as a fixed allocation percentage to non-Dakota production. Moving forward, the average allocation percentage of the prior-24 months will be used as a fixed allocation to the existing gas stream, the Pictured Cliffs would be an incremental volume determined via subtraction allocation.

Oil production will be allocated based on average formation yields from offset wells. **DK-1%, GL-99%, CH-0%**

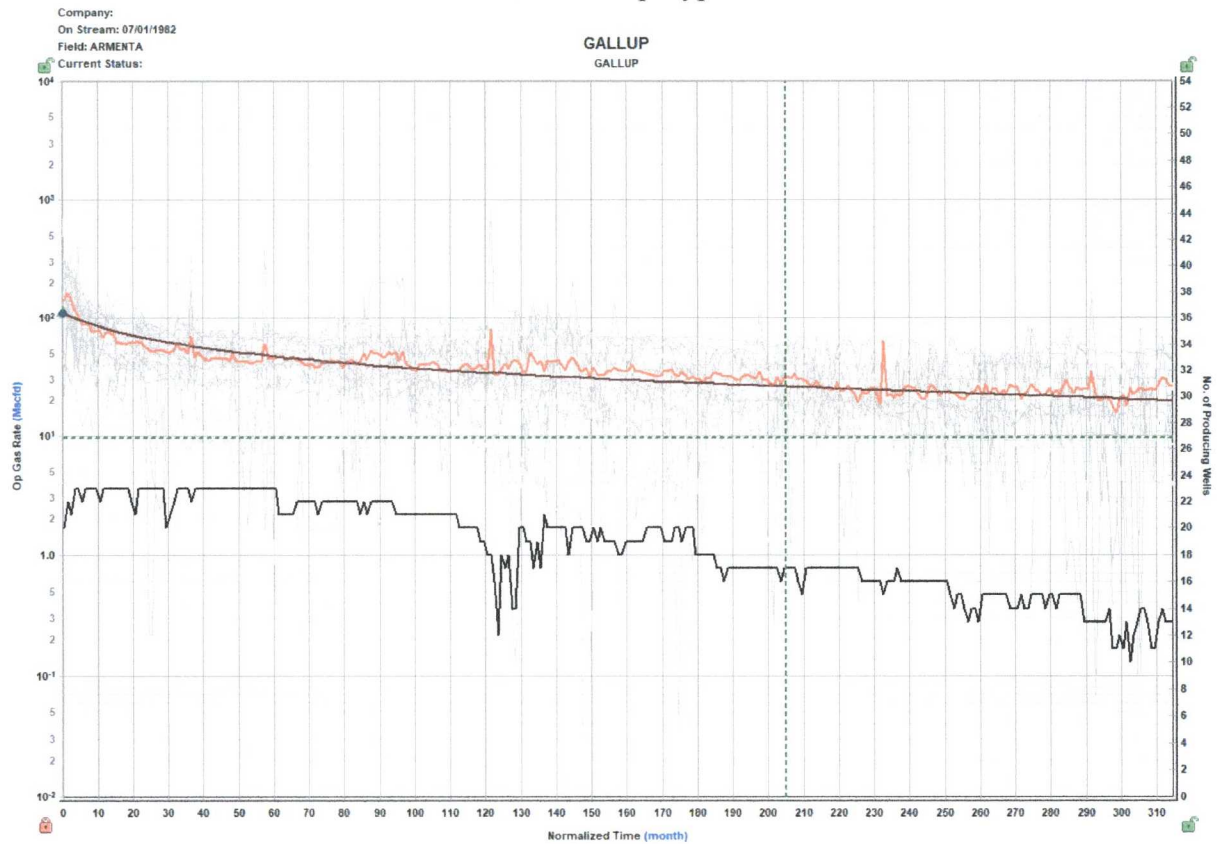
APPROVED BY	DATE	TITLE	PHONE
X Cherylene Weston	2-22-19	Operations/Regulatory Tech	505-564-0779
Cherylene Weston			



Offset 9-Section Chacra Type Curve



Offset 9-Section Gallup Type Curve



Date	Wellbore	Dakota	Gallup	Chacra
02/2002	100%	64%	36%	0%
03/2002	100%	64%	36%	0%
04/2002	100%	63%	37%	0%
05/2002	100%	63%	37%	0%
06/2002	100%	62%	38%	0%
07/2002	100%	61%	39%	0%
08/2002	100%	61%	39%	0%
09/2002	100%	60%	40%	0%
10/2002	100%	60%	40%	0%
11/2002	100%	59%	41%	0%
12/2002	100%	59%	41%	0%
01/2003	100%	58%	42%	0%
02/2003	100%	58%	42%	0%
03/2003	100%	57%	25%	18%
04/2003	100%	57%	25%	18%
05/2003	100%	61%	23%	17%
06/2003	100%	30%	41%	30%
07/2003	100%	30%	40%	29%
08/2003	100%	40%	35%	25%
09/2003	100%	64%	21%	15%
10/2003	100%	21%	46%	33%
11/2003	100%	52%	28%	20%
12/2003	100%	10%	52%	38%
01/2004	100%	5%	55%	40%
02/2004	100%	5%	55%	40%
03/2004	100%	45%	32%	23%
04/2004	100%	7%	54%	39%
05/2004	100%	8%	53%	39%
06/2004	100%	7%	54%	39%
07/2004	100%	6%	55%	40%
08/2004	100%	7%	54%	39%
09/2004	100%	8%	53%	39%
10/2004	100%	6%	54%	40%
11/2004	100%	6%	54%	40%
12/2004	100%	6%	55%	40%
01/2005	100%	6%	54%	40%
02/2005	100%	6%	54%	40%
03/2005	100%	9%	53%	39%
04/2005	100%	9%	53%	38%
05/2005	100%	8%	53%	39%
06/2005	100%	7%	53%	39%
07/2005	100%	7%	54%	39%
08/2005	100%	8%	53%	39%
09/2005	100%	13%	50%	37%
10/2005	100%	4%	55%	40%
11/2005	100%	6%	54%	40%
12/2005	100%	12%	51%	37%
01/2006	100%	10%	52%	38%
02/2006	100%	9%	52%	38%
03/2006	100%	10%	52%	38%
04/2006	100%	7%	54%	39%
05/2006	100%	5%	55%	40%
06/2006	100%	5%	55%	40%
07/2006	100%	6%	54%	40%

Date	Wellbore	Dakota	Gallup	Chacra
08/2006	100%	4%	55%	40%
09/2006	100%	4%	55%	40%
10/2006	100%	5%	55%	40%
11/2006	100%	5%	55%	40%
12/2006	100%	5%	55%	40%
01/2007	100%	5%	55%	40%
02/2007	100%	5%	55%	40%
03/2007	100%	6%	54%	40%
04/2007	100%	9%	53%	38%
05/2007	100%	10%	52%	38%
06/2007	100%	8%	53%	39%
07/2007	100%	6%	54%	40%
08/2007	100%	9%	52%	38%
09/2007	100%	7%	54%	39%
10/2007	100%	6%	54%	40%
11/2007	100%	6%	54%	40%
12/2007	100%	6%	54%	40%
01/2008	100%	5%	55%	40%
02/2008	100%	6%	54%	40%
03/2008	100%	7%	54%	39%
04/2008	100%	8%	53%	39%
05/2008	100%	49%	29%	22%
06/2008	100%	8%	53%	39%
07/2008	100%	4%	56%	41%
08/2008	100%	6%	54%	40%
09/2008	100%	5%	55%	40%
10/2008	100%	7%	54%	39%
11/2008	100%	6%	54%	40%
12/2008	100%	6%	54%	40%
01/2009	100%	5%	55%	40%
02/2009	100%	7%	54%	39%
03/2009	100%	6%	54%	40%
04/2009	100%	6%	54%	40%
05/2009	100%	6%	54%	40%
06/2009	100%	6%	54%	40%
07/2009	100%	6%	54%	40%
08/2009	100%	7%	54%	39%
09/2009	100%	6%	54%	40%
10/2009	100%	6%	55%	40%
11/2009	100%	5%	55%	40%
12/2009	100%	5%	55%	40%
01/2010	100%	5%	55%	40%
02/2010	100%	5%	55%	40%
03/2010	100%	6%	54%	40%
04/2010	100%	5%	55%	40%
05/2010	100%	8%	53%	39%
06/2010	100%	7%	54%	39%
07/2010	100%	9%	53%	38%
08/2010	100%	7%	54%	39%
09/2010	100%	8%	53%	39%
10/2010	100%	7%	54%	39%
11/2010	100%	8%	53%	39%
12/2010	100%	7%	54%	39%
01/2011	100%	100%	0%	0%

Date	Wellbore	Dakota	Gallup	Chacra
02/2011	100%	17%	48%	35%
03/2011	100%	8%	53%	39%
04/2011	100%	7%	54%	39%
05/2011	100%	8%	53%	39%
06/2011	100%	4%	55%	40%
07/2011	100%	5%	55%	40%
08/2011	100%	5%	55%	40%
09/2011	100%	4%	56%	41%
10/2011	100%	3%	56%	41%
11/2011	100%	6%	54%	40%
12/2011	100%	6%	54%	40%
01/2012	100%	3%	56%	41%
02/2012	100%	3%	56%	41%
03/2012	100%	6%	54%	40%
04/2012	100%	5%	55%	40%
05/2012	100%	6%	54%	40%
06/2012	100%	5%	55%	40%
07/2012	100%	4%	55%	40%
08/2012	100%	4%	56%	41%
09/2012	100%	4%	56%	41%
10/2012	100%	3%	56%	41%
11/2012	100%	4%	56%	41%
12/2012	100%	3%	56%	41%
01/2013	100%	3%	56%	41%
02/2013	100%	3%	56%	41%
03/2013	100%	4%	56%	41%
04/2013	100%	3%	56%	41%
05/2013	100%	7%	54%	39%
06/2013	100%	3%	56%	41%
07/2013	100%	3%	56%	41%
08/2013	100%	4%	56%	41%
09/2013	100%	4%	56%	41%
10/2013	100%	10%	52%	38%
11/2013	100%	4%	56%	41%
12/2013	100%	3%	56%	41%
01/2014	100%	5%	55%	40%
02/2014	100%	3%	56%	41%
03/2014	100%	18%	47%	34%
04/2014				
05/2014				
06/2014				
07/2014				
08/2014				
09/2014				
10/2014				
11/2014				
12/2014				
01/2015	100%	10%	52%	38%
02/2015	100%	3%	56%	41%
03/2015	100%	2%	57%	42%
04/2015	100%	2%	57%	41%
05/2015	100%	2%	57%	41%
06/2015	100%	2%	57%	41%
07/2015	100%	2%	57%	41%

Date	Wellbore	Dakota	Gallup	Chacra
08/2015	100%	2%	57%	41%
09/2015	100%	2%	56%	41%
10/2015	100%	2%	56%	41%
11/2015	100%	2%	57%	41%
12/2015	100%	4%	55%	40%
01/2016	100%	12%	51%	37%
02/2016	100%	2%	57%	41%
03/2016	100%	2%	57%	41%
04/2016	100%	2%	57%	41%
05/2016	100%	3%	56%	41%
06/2016	100%	2%	57%	41%
07/2016	100%	2%	57%	41%
08/2016	100%	2%	57%	41%
09/2016	100%	2%	57%	41%
10/2016	100%	2%	57%	41%
11/2016	100%	2%	57%	41%
12/2016	100%	2%	57%	41%
01/2017	100%	2%	57%	41%
02/2017	100%	2%	57%	41%
03/2017	100%	2%	57%	41%
04/2017	100%	2%	56%	41%
05/2017	100%	2%	56%	41%
06/2017	100%	2%	57%	41%
07/2017	100%	2%	57%	41%
08/2017	100%	2%	57%	41%
09/2017	100%	2%	56%	41%
10/2017	100%	2%	57%	41%
11/2017	100%	2%	57%	41%
12/2017	100%	2%	57%	41%
01/2018	100%	2%	57%	41%
02/2018	100%	2%	57%	41%
03/2018	100%	2%	57%	41%
04/2018	100%	2%	57%	41%
05/2018	100%	2%	56%	41%
06/2018	100%	2%	57%	41%
07/2018	100%	2%	56%	41%
08/2018	100%	2%	57%	41%
09/2018	100%	2%	57%	41%
10/2018	100%	2%	57%	41%
11/2018	100%	2%	57%	41%

Future Fixed Allocation*

2%

57%

41%

*Last 24 Month Average