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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: 04/01/2019

API No. 30-039-20616

DHC No. DHC-4940-0

Lease No. E-5114-4

State

Well Name

San Juan 29-7 Unit

Well No.

#105

Unit Letter

A

Section

36

Township

T029N

Range

R07W

Footage

825' FNL & 1145' FEL

County, State

Rio Arriba, New Mexico

Completion Date

03/26/2019

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 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- 100%, DK - 0%

APPROVED BY	DATE	TITLE	PHONE
X <i>[Signature]</i>		GEOLOGIST DISTRICT #3	505 334-6178x114
X Cherylene Weston	4-2-19	Operations/Regulatory Tech	505-564-0779
Cherylene Weston	11-11-19	<i>[Signature]</i>	
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NMOCD

4/5/19