

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

NMOC D

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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 ☐

APR 05 2019

DISTRICT III

Date: 4/1/2019

API No. 30-045-24938

DHC No. 4003-AZ

Lease No. SF-078502-A

Well Name
Hardie

Well No.
4E

Unit Letter	Section	Township	Range	Footage	County, State
E	24	29N	08W	1800' FNL & 790' FWL	San Juan County, New Mexico

Completion Date	Test Method
3/25/2019	HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>

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
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Christine Brock	<i>Dave Mankiewicz</i>		
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4/5/19

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