

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

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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 ☐

Date: 3/26/19

API No. 30-045-25463

DHC No. 4904-0

Lease No. SF080724-A

Well Name

Zachry

Well No.

37

Unit Letter

I

Section

11

Township

28N

Range

10W

Footage

1725' FSL & 475' FEL

County, State

San Juan County,
New Mexico

Completion Date

3/15/2019

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 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- 14%, MV- 86%

APPROVED BY	DATE	TITLE	PHONE
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	3/28/19		

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APR 01 2019

DISTRICT III