

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

NMOCD

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Regulatory
Accounting
Well File

Revised: March 9, 2006

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Commingle Type
SURFACE ☐ DOWNHOLE ☒

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

422 89 2013

DISTRICT III

Date: 02/12/2019

API No. 30-045-32859
DHC No. DHC-4073AZ
Lease No. NMSF078138

Well Name
Federal B

Well No.
#3

Unit Letter	Section	Township	Range	Footage	County, State
B	28	T30N	R11W	960' FNL & 2320' FEL	San Juan, New Mexico

Completion Date: 02/04/2019

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 Basin 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- 77%, DK- 23%**

APPROVED BY	DATE	TITLE	PHONE
<i>Dave Mankiewicz</i>	4/8/19	AFM	
X <i>Cherylene Weston</i> 2-12-19		Operations/Regulatory Tech	505-564-0779
Cherylene Weston			

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