

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

NMOCD

Distribution:
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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 ☐

APR 09 2019

DISTRICT III

Date: 02/12/2019

API No. 30-045-32860

DHC No. DHC-4074AZ

Lease No. NMSF078138

Well Name

Federal B

Well No.

#2

Unit Letter

I

Section

28

Township

T30N

Range

R11W

Footage

2200' FSL & 665' FEL

County, State

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- 75%, DK- 25%

APPROVED BY	DATE	TITLE	PHONE
	4/8/19	AFM	
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