

NMOCD

JUN 05 2019

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DISTRICT III

## Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

Distribution:  
NMOCD Original  
BLM 5 Copies  
Farmington Field Office Accounting  
Bureau of Land Management Well File  
Revised: March 9, 2018

Status

PRELIMINARY ☒FINAL ☐REVISED ☐

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 5/20/19

API No. 30-045-11699

DHC No. 4906

Lease No. NMSF078115

Well Name

GRENIER

Well No.

16

Unit Letter  
PSection  
06Township  
31NRange  
11WFootage  
1150' FSL & 1010' FELCounty, State  
San Juan,  
New Mexico

Completion Date

5/7/2019

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: **DK- 33%, MV- 67%**

APPROVED BY	DATE	TITLE	PHONE
X <i>Amanda Walker</i>		Operations/Regulatory Tech – Sr.	505.324.5122
Amanda Walker	5/20/2019		

- Royalty Interests are common.

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APPROVED

*J. M. V. J.*  
5/30/19