

NMOCD

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DISTRICT III

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

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

Status
 PRELIMINARY ☒
 FINAL ☐
 REVISED ☐

Date: 5/20/19

API No. 30-045-11892

DHC No. 4912

Lease No. NMSF078146

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Well Name

NEWBERRY A

Well No.

2

Unit Letter
KSection
09Township
31NRange
12WFootage
1750' FSL & 1550'
FWLCounty, State
San Juan,
New Mexico

Completion Date

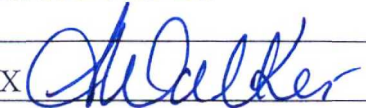
5/7/2019

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.

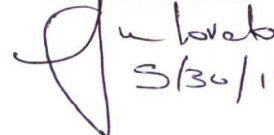
Oil production will be allocated based on average formation yields from offset wells: **DK- 40%, MV- 60%**

| APPROVED BY | DATE | TITLE | PHONE |
|---|-----------|----------------------------------|--------------|
| X  | | Operations/Regulatory Tech – Sr. | 505.324.5122 |
| Amanda Walker | 5/20/2019 | | |
| | | | |
| | | | |

— Royalty interest is common.

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APPROVED


 5/30/18