

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

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Accounting  
Well File

Revised: March 9, 2018

Status  
PRELIMINARY ☒  
FINAL ☐  
REVISED ☐

Date: **05/21/2019**

API No. **30-045-23568**

DHC No. **DHC-4068**

Lease No. **Fee**

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Well Name

**Sullivan Gas Com C**

Well No.

**#1E**

Unit Letter

**J**

Section

**28**

Township

**T29N**

Range

**R10W**

Footage

**1850' FSL & 1490' FEL**

County, State

**San Juan, New Mexico**

Completion Date


**05/10/2019**

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- 1%, MV - 99%

APPROVED BY	DATE	TITLE	PHONE
X 	5/30/19	GEOLOGIST DISTRICT #3	505 334-6178 x114
X Cherylene Weston	5-21-19	Operations/Regulatory Tech	505-564-0779
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NMOCD

MAY 22 2019

DISTRICT III