

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
NMOCD Original
BLM 5 Copies
Accounting
Well File
Revised: March 9, 2018

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Commingle Type
SURFACE ☐ DOWNHOLE ☒
Type of Completion
NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 6/24/2019

API No. **30-039-20668**
DHC No. **DHC4870**
Lease No. **Fee**

Well Name
San Juan 28-6 Unit

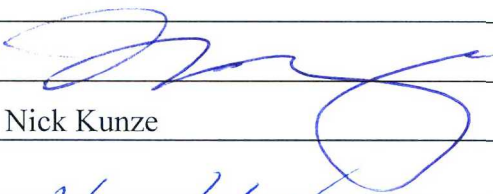
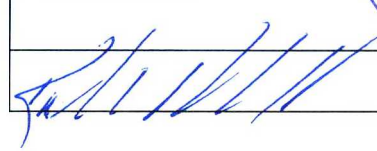
Well No.
#181

Unit Letter	Section	Township	Range	Footage	County, State
H	14	T27N	R06W	1700'FNL & 1180'FEL	Rio Arriba, New Mexico

Completion Date	Test Method
6/22/2019	HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>

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: MV- 65%, DK- 35%

APPROVED BY	DATE	TITLE	PHONE
X 		Area Operations Manager	713-209-2449
Nick Kunze			
		GEOLOGIST DISTRICT #1	505 334-6178 x114

NMOCD

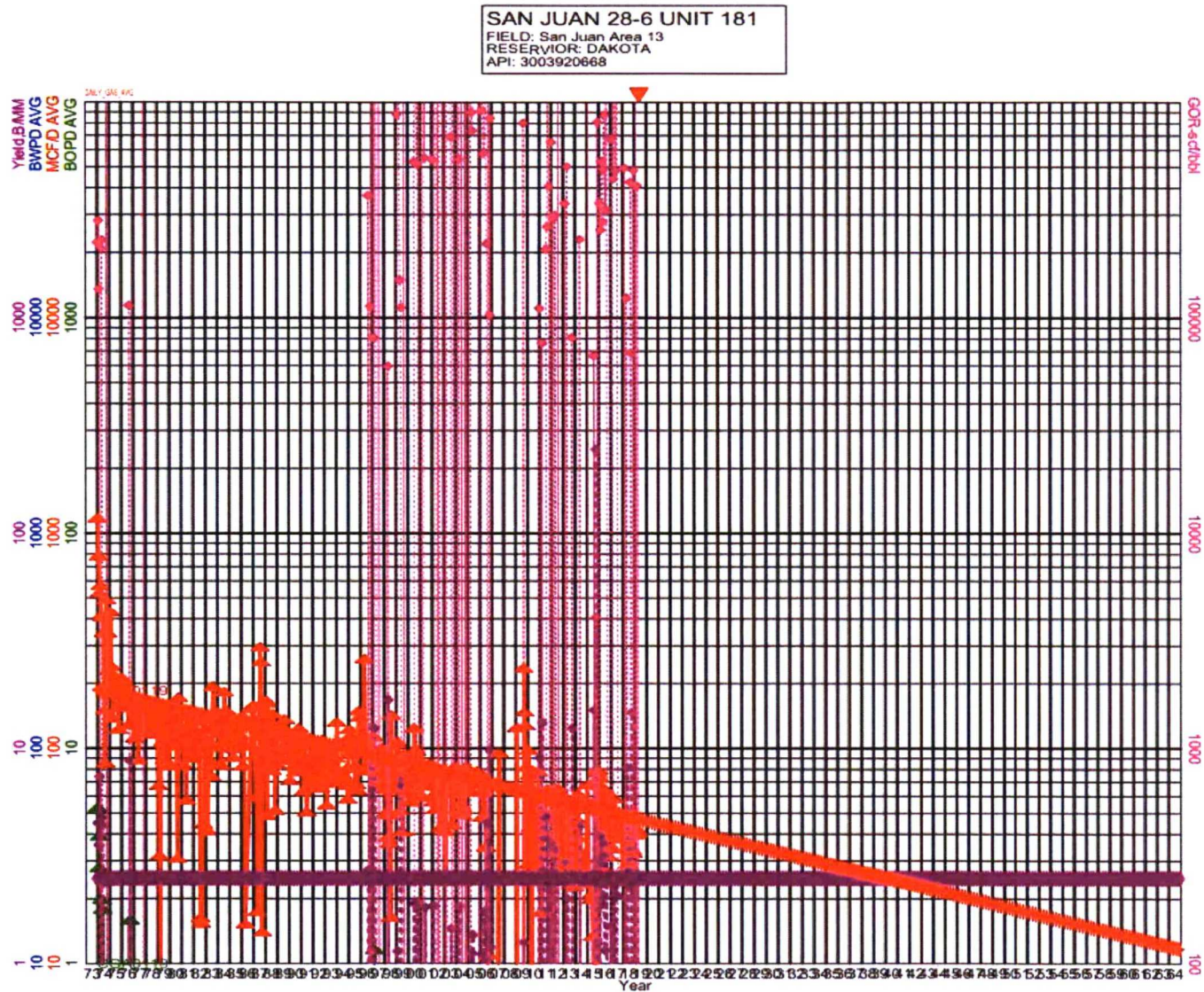
JUN 25 2019

DISTRICT III

San Juan 28-6 Unit 181 Subtraction Allocation

Date	Mcfd
Jun-19	46.6
Jul-19	46.5
Aug-19	46.3
Sep-19	46.2
Oct-19	46.1
Nov-19	46.0
Dec-19	45.9
Jan-20	45.7
Feb-20	45.6
Mar-20	45.5
Apr-20	45.4
May-20	45.3
Jun-20	45.2
Jul-20	45.1
Aug-20	44.9
Sep-20	44.8
Oct-20	44.7
Nov-20	44.6
Dec-20	44.5
Jan-21	44.4
Feb-21	44.3
Mar-21	44.2
Apr-21	44.0
May-21	43.9
Jun-21	43.8
Jul-21	43.7
Aug-21	43.6
Sep-21	43.5
Oct-21	43.4
Nov-21	43.3
Dec-21	43.2
Jan-22	43.0
Feb-22	42.9
Mar-22	42.8
Apr-22	42.7
May-22	42.6
Jun-22	42.5
Jul-22	42.4
Aug-22	42.3
Sep-22	42.2
Oct-22	42.1
Nov-22	42.0
Dec-22	41.9
Jan-23	41.8
Feb-23	41.6
Mar-23	41.5
Apr-23	41.4
May-23	41.3

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 using historic production. All production from this well exceeding the forecast will be allocated to the new formation. Oil production will be allocated based on average formation yields from offset wells.



MCF/D AVG	CGA0119
Qual=	6/2019
Ref=	1463426
Cum=	531628
Rem=	1995054
EUR=	99.333
Yrs=	46.6
Qj=	0.000000
b=	3.000000
De=	2.3
Qab=	
BOPD AVG	CGA0119
Calc=	6/2019
Ref=	971
Cum=	1318
Rem=	2290
EUR=	99.333
Yrs=	
BWPD AVG	6/2019
Ref=	4130
Cum=	
Yield, B/MM	CGA0119
Qual=	6/2019
Ref=	2.48000
Rbeg=	2.48000
Rem=	99.333
EUR=	LogTime
Type=	m= -0.000000
GOR-scf/bbl	

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	2.48	531.628	35%
MV	2.3	1080.7	65%