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Hilcorp Energy Company

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

PRODUCTION ALLOCATION FORM

NMOCD

Status

PRELIMINARY ☒FINAL ☐REVISED ☐

Commingled Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLED ☐

AUG 06 2019

DISTRICT III

Date: 7/17/2019

API No. 30-045-24022

DHC No. 4968 AZ

Lease No. Federal

NMSF079960

Well Name

Lawson

Well No.

2E

Unit Letter

O

Section

31

Township

32N

Range

11W

Footage

1000' FSL & 1790' FEL

County, State

San Juan,
New Mexico

Completion Date

7/12/2019

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingled 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- 7%, MV- 93%

APPROVED BY	DATE	TITLE	PHONE
X <i>Priscilla Shorty</i>	7/17/2019	Operations/Regulatory Tech – Sr.	505.324.5188
Priscilla Shorty			

ACCEPTED FOR RECORD

AUG 01 2019

FARMINGTON FIELD OFFICE
By: *[Signature]*

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources

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Form C-102
August 1, 2011

Permit 263616

Oil Conservation Division**1220 S. St Francis Dr.****Santa Fe, NM 87505**

Farmington Field Office
Bureau of Land Management

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24022	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 318605	5. Property Name LAWSON	6. Well No. 002E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6420

10. Surface Location

UL - Lot O	Section 31	Township 32N	Range 11W	Lot Idn	Feet From 1000	N/S Line S	Feet From 1790	E/W Line E	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 31	Township 32N	Range 11W	Lot Idn	Feet From 1175	N/S Line S	Feet From 2306	E/W Line E	County SAN JUAN
12. Dedicated Acres 320.00			13. Joint or Infill		14. Consolidation Code			15. Order No.	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
	E-Signed By: <i>Priscilla Shorty</i> Title: Operations Regulatory Technician - Sr. Date: 02/12/2019	
	SURVEYOR CERTIFICATION	
<i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>		
Surveyed By: Fred Kerr Date of Survey: 10/10/1979 Certificate Number: 3950		

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State of New Mexico
Energy, Minerals and Natural
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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Farmington Field Office
Bureau of Land Management**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-24022	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 318605	5. Property Name LAWSON	6. Well No. 002E
7. OGRID No. 372171	8. Operator Name HILCORP ENERGY COMPANY	9. Elevation 6420

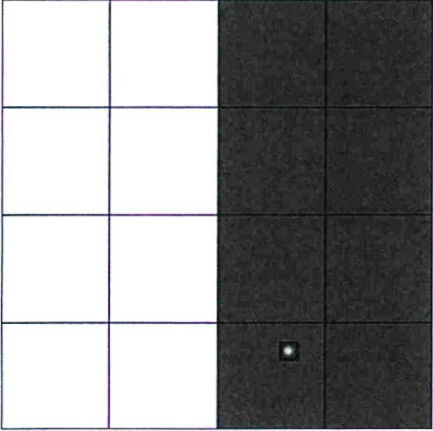
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	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: <i>Priscilla Shorty</i> Title: Operations Regulatory Technician - Sr. Date: 07/17/2019</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Fred Kerr Date of Survey: 10/10/1979 Certificate Number: 3950</p>
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