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Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

NMOCD

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 ☐

AUG 12 2019
DISTRICT III

Date: 5/14/19

API No. **30-039-07316**
DHC No. **DHC4031AZ**
Lease No. **NMSF079050A**
Federal

Well Name
San Juan 28-6 Unit

Well No.
#102

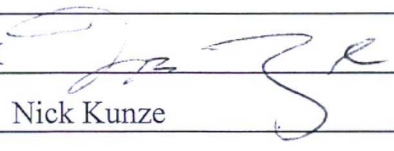
| Unit Letter | Section | Township | Range | Footage | County, State |
|-------------|-----------|-------------|-------------|-------------------------------|-----------------------------------|
| H | 26 | T28N | R06W | 1850'FNL & 790'FEL | Rio Arriba, New Mexico |

Completion Date: **4/13/2019**

Test Method: HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

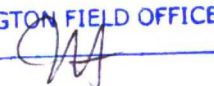
JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Dakota and the added formation to be commingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the 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: MV- 100%, DK- 0%

| APPROVED BY | DATE | TITLE | PHONE |
|---|------|-------------------------|--------------|
| X  | | Area Operations Manager | 713-209-2449 |
| Nick Kunze | | | |
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| | | | |

ACCEPTED FOR RECORD

AUG 01 2019

FARMINGTON FIELD OFFICE
BY: 

NMOCD