

JUN 24 2019

<h1 style="text-align: center;">Hilcorp Energy Company</h1> <h2 style="text-align: center;">PRODUCTION ALLOCATION FORM</h2> <p style="text-align: center;"><b>NMOCD</b></p>						Distribution: NMOCD Original BLM 5 Copies Accounting Well File Revised: March 9, 2018
						Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/>						Date: 6/24/19
Type of Completion NEW DRILL <input checked="" type="checkbox"/> RECOMPLETION <input type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>						API No. 30-045-08759 DHC No. 4974-0 Lease No. NMSF080469
Well Name <b>Federal E Com</b>						Well No. <b>1</b>
Unit Letter <b>E</b>	Section <b>2</b>	Township <b>29N</b>	Range <b>11W</b>	Footage <b>1850' FNL &amp; 1190' FWL</b>	County, State <b>San Juan County, New Mexico</b>	
Completion Date <b>6/11/2019</b>		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
<p>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.</p> <p>Oil production will be allocated based on average formation yields from offset wells: DK- 27%, MV- 73%</p>						
APPROVED BY		DATE		TITLE		PHONE
X <i>Christine Brock</i>		6/24/19		Operations/Regulatory Tech – Sr.		505-324-5155
Christine Brock						

ACCEPTED FOR RECORD

AUG 01 2019

FARMINGTON FIELD OFFICE  
BY: *[Signature]***NMOCD**