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# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

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Accounting  
Well File  
Revised: March 9, 2018

Farmington Field Office  
Bureau of Land Management

Status  
PRELIMINARY ☒  
FINAL ☐  
REVISED ☐

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

Date: 5/9/2019  
API No. 30-045-10957  
DHC No. 4915 AZ  
Lease No. NMSF077648

Well Name  
**Davis**

Well No.  
7

Unit Letter **D** Section **11** Township **31N** Range **12W** Footage **990' FNL & 790' FWL**

County, State  
**San Juan,  
New Mexico**

Completion Date  
**5/6/2019**

Test Method  
HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingling 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- 12%, MV- 88%

APPROVED BY	DATE	TITLE	PHONE
X <i>Priscilla Shorty</i> Priscilla Shorty	5/9/2019	Operations/Regulatory Tech – Sr.	505.324.5188

ACCEPTED FOR RECORD

AUG 01 2019

FARMINGTON FIELD OFFICE  
BY: *[Signature]*

NMOCD