

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

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Accounting
Well File
Revised: March 9, 2018

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Date: 6/21/2019

API No. 30-045-12186
DHC No. 4913
Lease No. NMSF078146

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Well Name

Newberry B

Well No.

1

Unit Letter
C

Section
35

Township
32N

Range
12W

Footage
**1070' FNL & 1450'
FWL**

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

Completion Date

6/7/2019

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: **DK- 6%, MV- 94%**

APPROVED BY	DATE	TITLE	PHONE
Amanda Walker	6/21/2019	Operations/Regulatory Tech – Sr.	505.324.5122
<i>A. Walker</i>			

NMOCD

AUG 07 2019

DISTRICT III

NMOCD

ACCEPTED FOR RECORD

AUG 01 2019

FARMINGTON FIELD OFFICE
BY: *[Signature]*