

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

RECEIVED

JUN 13 2019

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NMOCD Original
BLM 5 Copies
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 ☒ PAYADD ☐ COMMINGLE ☐

NMOCD

Date: 6/11/2019
API No. 30-045-24018
DHC No. 4966 AZ
Lease No. NMSF077648

Well Name
Davis

AUG 07 2019

DISTRICT III

Well No.
13E

Unit Letter **L** Section **01** Township **31N** Range **12W** Footage **1770' FSL & 880' FWL**

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

Completion Date
6/4/2019

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- 16%, MV- 84%

APPROVED BY	DATE	TITLE	PHONE
X <i>Priscilla Shorty</i> Priscilla Shorty	6/11/2019	Operations/Regulatory Tech – Sr.	505.324.5188

ACCEPTED FOR RECORD

AUG 01 2019

FARMINGTON FIELD OFFICE
BY: *[Signature]*

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