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# Hilcorp Energy Company

 Farmington Field Office  
 Bureau of Land Management

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 Accounting  
 Well File  
 Revised: March 9, 2018

## PRODUCTION ALLOCATION FORM

 Status  
 PRELIMINARY ☒  
 FINAL ☐  
 REVISED ☐

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

Date: 8/12/2019

API No. 30-039-30518

DHC No. ~~DHC4853~~ 4423
 Lease No. Federal:  
 NMSF079391

 Well Name  
 San Juan 27-5 Unit

AUG 23 2019

 Well No.  
 #126E

Unit Letter L Section 7 Township T27N Range R05W Footage 2626'FSL &amp; 185'FWL

DISTRICT III

 County, State  
 Rio Arriba,  
 New Mexico

Completion Date


7/18/2019

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- 86%, DK- 14%

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

ACCEPTED FOR RECORD

AUG 14 2019

NMOCD

 FARMINGTON FIELD OFFICE  
 BY: 