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Farmington Field Office
Bureau of Land Management

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
NMOCD Original
BLM 5 Copies
Accounting
Well File
Revised: March 9, 2018Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐Commingled Type
SURFACE ☐ DOWNHOLE ☒Type of Completion
NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLED ☐

NMOCD

Date: 8/8/2019

API No. 30-045-23688

DHC No. 3962AZ

Lease No. NMSF078460

Well Name
SAN JUAN 32-7 UNIT

AUG 23 2019

DISTRICT III

Well No.
60Unit Letter
ASection
20Township
32NRange
07WFootage
900' FNL & 830' FELCounty, State
SAN JUAN,
New Mexico

Completion Date

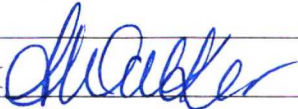
7/22/2019

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingled 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- 0%, MV- 100%**

APPROVED BY	DATE	TITLE	PHONE
X 	8/8/2019	Operations/Regulatory Tech – Sr.	505.324.5122

ACCEPTED FOR RECORD

AUG 14 2019

NMOCD

FARMINGTON FIELD OFFICE
BY: 