

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

Distribution:  
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Accounting  
Well File

Revised: March 9, 2018

Status  
PRELIMINARY ☒  
FINAL ☐  
REVISED ☐

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

Date: 9/11/2019

API No. 30-039-82362

DHC No. DHC 4859

Lease No. E-290-30

Well Name  
**San Juan 27-5 Unit**

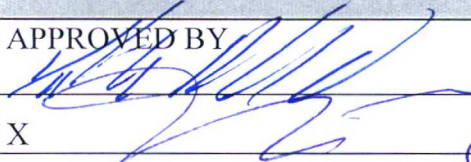
Well No.  
**#90**

Unit Letter	Section	Township	Range	Footage	County, State
<b>G</b>	<b>16</b>	<b>T27N</b>	<b>R05W</b>	<b>2375'FNL &amp; 2200'FEL</b>	<b>Rio Arriba, New Mexico</b>

Completion Date	Test Method
<b>08/29/2019</b>	HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>

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 - 44%, DK - 56%

APPROVED BY	DATE	TITLE	PHONE
	9/17/19	GEOLOGIST DISTRICT #3	505 334-6178 x114
X		Area Operations Manager	713-209-2449
Nick Kunze			

NMOCD

SEP 17 2019

DISTRICT III