

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

Distribution:  
NMOCD Original  
BLM 5 Copies  
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. **30-039-29333**

DHC No. **DHC5009**

Lease No. **Federal –  
NMSF078282**

Well Name  
**San Juan 29-5 Unit**

Well No.  
**#52G**

Unit Letter  
**B**

Section  
**29**

Township  
**T29N**

Range  
**R05W**

Footage  
**350'FNL & 1980'FEL**

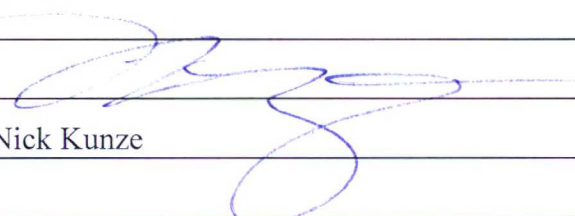
County, State  
**Rio Arriba,  
New Mexico**

Completion Date  
**9/8/2019**

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 Mesaverde & Dakota and the added formation to be tri-mingled is the Pictured Cliffs. 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:  
PC- 17%, MV- 80%, DK- 3%

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

NMOCD  
SEP 19 2019  
DISTRICT III