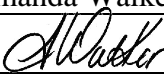


<h1 style="text-align: center;">Hilcorp Energy Company</h1> <h2 style="text-align: center;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>	
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Date: 10/5/2023 API No. 30-045-09671 DHC No. 5006 Lease No. FEE	
Well Name Sam Cooley					Well No. 1	
Unit Letter L	Section 09	Township 30N	Range 11W	Footage 1865' FSL & 1310' FWL	County, State San Juan, New Mexico	
Completion Date 9/28/2023		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
<p>JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method in agreement with local agencies. 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).</p> <p>After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.</p> <p>Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 41%, DK 59% (Production Allocation not provided with original DHC Application)</p> <p>After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.</p>						
NAME		DATE		TITLE		PHONE
Amanda Walker		10/5/2023				
X 				Operations/Regulatory Tech – Sr.		346-237-2177
For Technical Questions: Shane Smith				Reservoir Engineer		shane.smith@hilcorp.com

Dean R Mollure

10/06/2023

Sam Cooley 1 Subtraction Allocation

3004509671

Date

Mcf

Sep-23

57.77

Oct-23

57.55

Nov-23

57.33

Dec-23

57.11

Jan-24

56.88

Feb-24

56.67

Mar-24

56.46

Apr-24

56.24

May-24

56.02

Jun-24

55.81

Jul-24

55.6

Aug-24

55.38

Sep-24

55.17

Oct-24

54.96

Nov-24

54.75

Dec-24

54.54

Jan-25

54.32

Feb-25

54.12

Mar-25

53.92

Apr-25

53.71

May-25

53.51

Jun-25

53.3

Jul-25

53.1

Aug-25

52.89

Sep-25

52.69

Oct-25

52.49

Nov-25

52.29

Dec-25

52.09

Jan-26

51.88

Feb-26

51.69

Mar-26

51.5

Apr-26

51.3

May-26

51.11

Jun-26

50.91

Jul-26

50.72

Aug-26

50.52

Sep-26

50.32

Oct-26

50.13

Nov-26

49.94

Dec-26

49.75

Jan-27

49.55

Feb-27

49.37

Mar-27

49.19

Apr-27

49

May-27

48.81

Jun-27

48.62

Jul-27

48.44

Aug-27

48.25

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. 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 using historic production. All production from this well exceeding the forecast will be allocated to the new formation.

After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.

On Stream: 06/01/1962

Field: BASS

Current Status: Flowing

SAM COOLEY 001

DAKOTA

Gp: 2002 MMscf

Np: 0.000 Mstb

Wp: 18.712 Mstb

Qcond: 12.417 Mstb

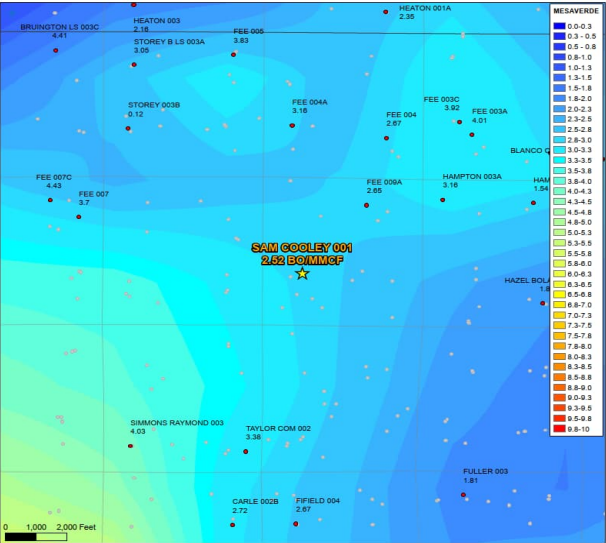
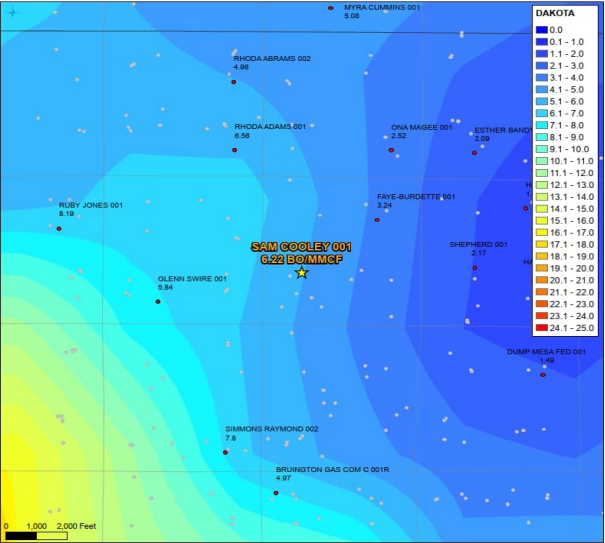
Analysis	Class	EUR	GL	RR	Start Date	q	A1	d, sec	b	dL, sep	q	End Date
Name	EUR	GL	RR	Start Date	q	A1	d, sec	b	dL, sep	q	End Date	EUR
Analysis 1	2002	2002	380	06/01/2002	57.9	35.19	4.493	0.000	4.000	10.0	11/09/2001	

Oil Allocation:

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	6.22	380	59%
MV	2.52	650	41%



District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 273337

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 273337
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	10/6/2023