

|   |                      |   |                     |  |   |
|---|----------------------|---|---------------------|--|---|
| <h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>   |                      |   |                     |  | Distribution:<br>BLM / NMOCD Original<br>Accounting<br>Well File<br>Revised: September 25, 2019                                 |
| Commingle Type<br>SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/>   |                      |   |                     |  | Status<br>PRELIMINARY <input checked="" type="checkbox"/><br>FINAL <input type="checkbox"/><br>REVISED <input type="checkbox"/> |
| Type of Completion<br>NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>  |                      |   |                     |  | Date: 10/5/2023<br><br>API No. 30-045-09671<br>DHC No. 5006<br>Lease No. FEE  |
| Well Name<br><b>Sam Cooley</b>  |                      |   |                     |  | Well No.<br><b>1</b>  |
| Unit Letter<br><b>L</b>   | Section<br><b>09</b> | Township<br><b>30N</b>  | Range<br><b>11W</b> | Footage<br><b>1865' FSL &amp; 1310' FWL</b>                          | County, State<br><b>San Juan,<br/>New Mexico</b>  |
| Completion Date<br><b>9/28/2023</b>   |                      | Test Method<br>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 <b>Dakota</b> and the added formation to be commingled is the <b>Mesaverde</b>. 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 4<sup>th</sup> 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. <b>MV 41%, DK 59%</b> (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<br>Amanda Walker   |                      | DATE<br>10/5/2023   |                     | TITLE<br>PHONE   |   |
| X   |                      |   |                     | Operations/Regulatory Tech – Sr. 346-237-2177                        |   |
| For Technical Questions: Shane Smith  |                      | Reservoir Engineer  |                     | <a href="mailto:shane.smith@hilcorp.com">shane.smith@hilcorp.com</a> |   |
|   |                      |   |                     |  |   |

*Dean R Mollure*

10/06/2023

Sam Cooley 1 Subtraction Allocation

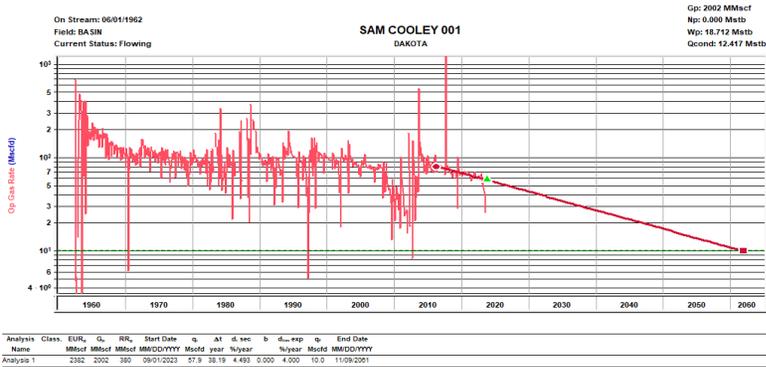
3004509671

| 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 4<sup>th</sup> year and will be utilized to create a fixed percentage based allocation.

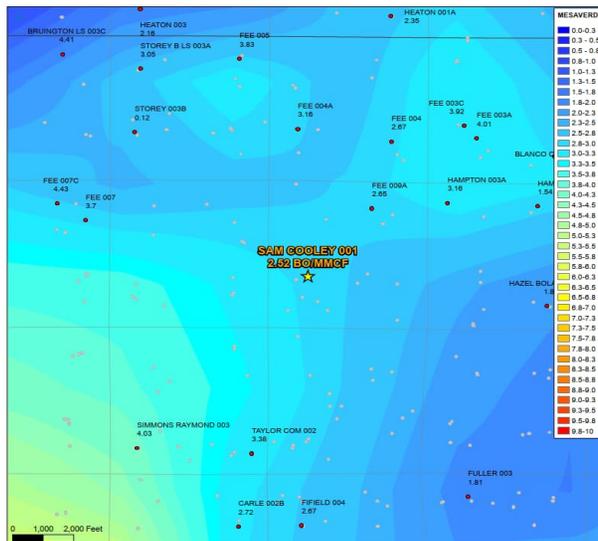
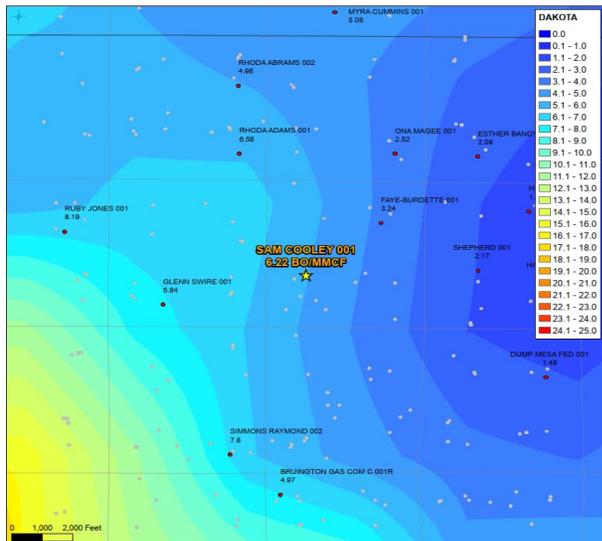


Oil Allocation:

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 272988

**CONDITIONS**

|  |   |
|--|---|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                    |
|  | Action Number:<br>272988                            |
|  | Action Type:<br>[C-103] NOI General Sundry (C-103X) |

**CONDITIONS**

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| dmcclore   | None      | 10/6/2023      |