

| <h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2> | | | | | Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019 | | | | | | | | | | | | | | | | | |
|--|----------------------|---|--|---|---|--|------|------|-------|-------|---------------|-----------|--|--|---|--|----------------------------------|--------------|--------------------------------------|--|--------------------|--|
| 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"/> | | | | | Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <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"/> | | | | | | | | | | | | | | | | | | | | |
| 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). After 3 years production will stabilize. A production average will be gathered during the 4 th year and will be utilized to create a fixed percentage based allocation. 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) After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation. | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">NAME</th> <th style="width: 15%;">DATE</th> <th style="width: 33%;">TITLE</th> <th style="width: 19%;">PHONE</th> </tr> </thead> <tbody> <tr> <td>Amanda Walker</td> <td>10/5/2023</td> <td></td> <td></td> </tr> <tr> <td>X </td> <td></td> <td>Operations/Regulatory Tech – Sr.</td> <td>346-237-2177</td> </tr> <tr> <td>For Technical Questions: Shane Smith</td> <td></td> <td>Reservoir Engineer</td> <td>shane.smith@hilcorp.com</td> </tr> </tbody> </table> | | | | | | | 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 |
| 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

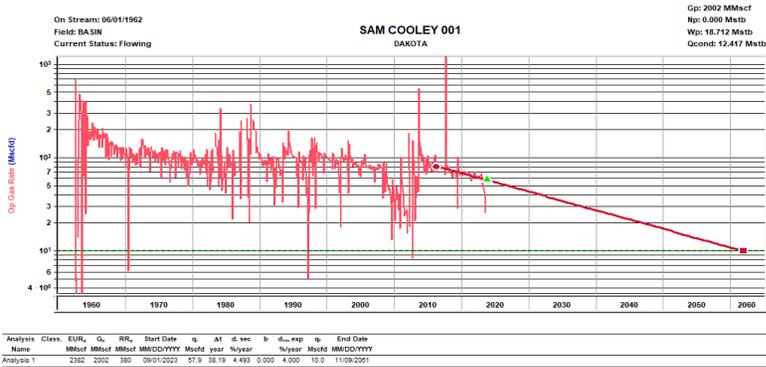
3004509671

| 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.

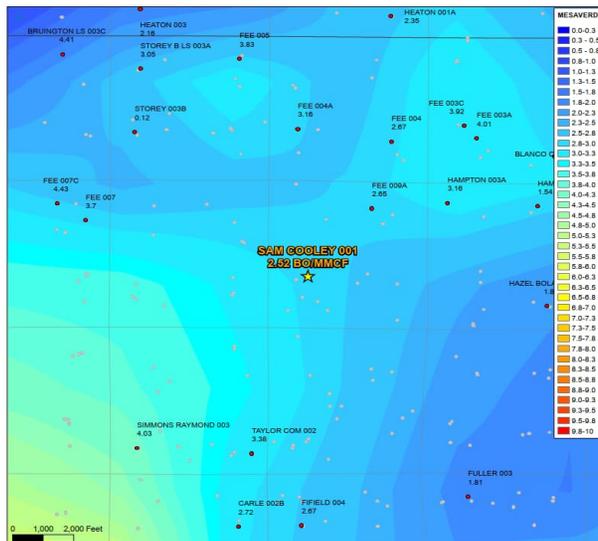
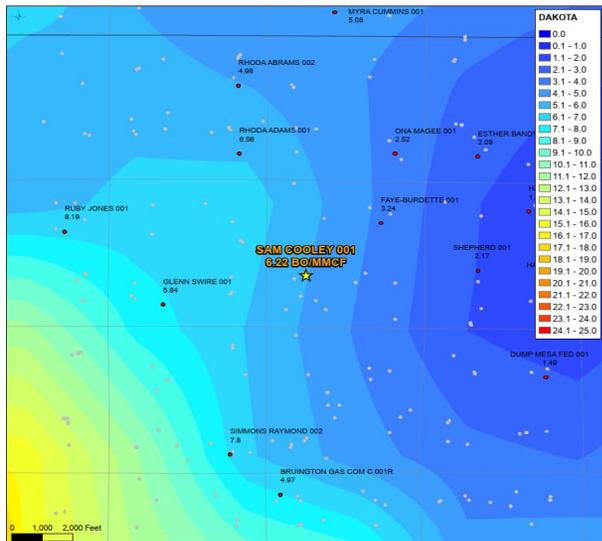


Oil Allocation:

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% |



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 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

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 811 S. First St., Artesia, NM 88210
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District III
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 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 |
|------------|-----------|----------------|
| dmcclore | None | 10/6/2023 |