

Area: «TEAM»

<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006		
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 type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input checked="" type="checkbox"/>		
					Date: 5/23/2022 API No. 30-039-22411 DHC No. DHC3974AZ Lease No. B-10037-45		
Well Name San Juan 29-7 Unit					Well No. 32E		
Unit Letter K	Section 32	Township T029N	Range R007W	Footage 1810' FSL & 1450' FWL	County, State Rio Arriba County, New Mexico		
Completion Date		Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>					
FORMATION		GAS		PERCENT		CONDENSATE	
DAKOTA		44 MCFD		34%		20%	
MESAVERDE		84 MCFD		66%		80%	
JUSTIFICATION OF ALLOCATION: **REVISED Oil allocation due to miscalculation. Effective Date 3/1/2022. No change to gas allocation.** Hilcorp Energy Company requests that production for the down hole commingle to be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Oil allocated based on average formation yields in surrounding area and new fixed allocations.							
APPROVED BY			DATE		TITLE		PHONE
<i>Kandis Roland</i>							
X Kandis Roland			5/23/22		Operations/Regulatory Tech		713-757-5246
For Technical Questions: Justin Nall					Reservoir Engineer – Sr.		346-237.2231

Dean R McIlure 06/02/2022

San Juan 29-7 Unit 32E Fixed Allocation

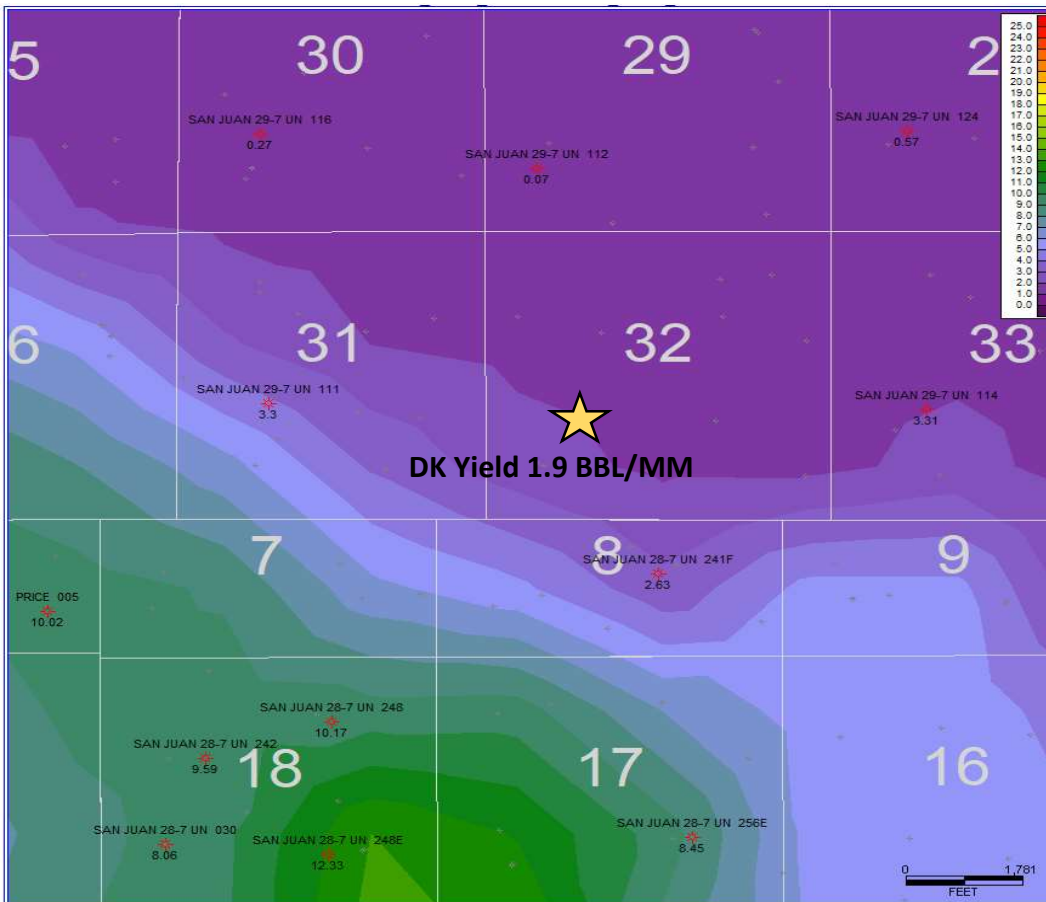
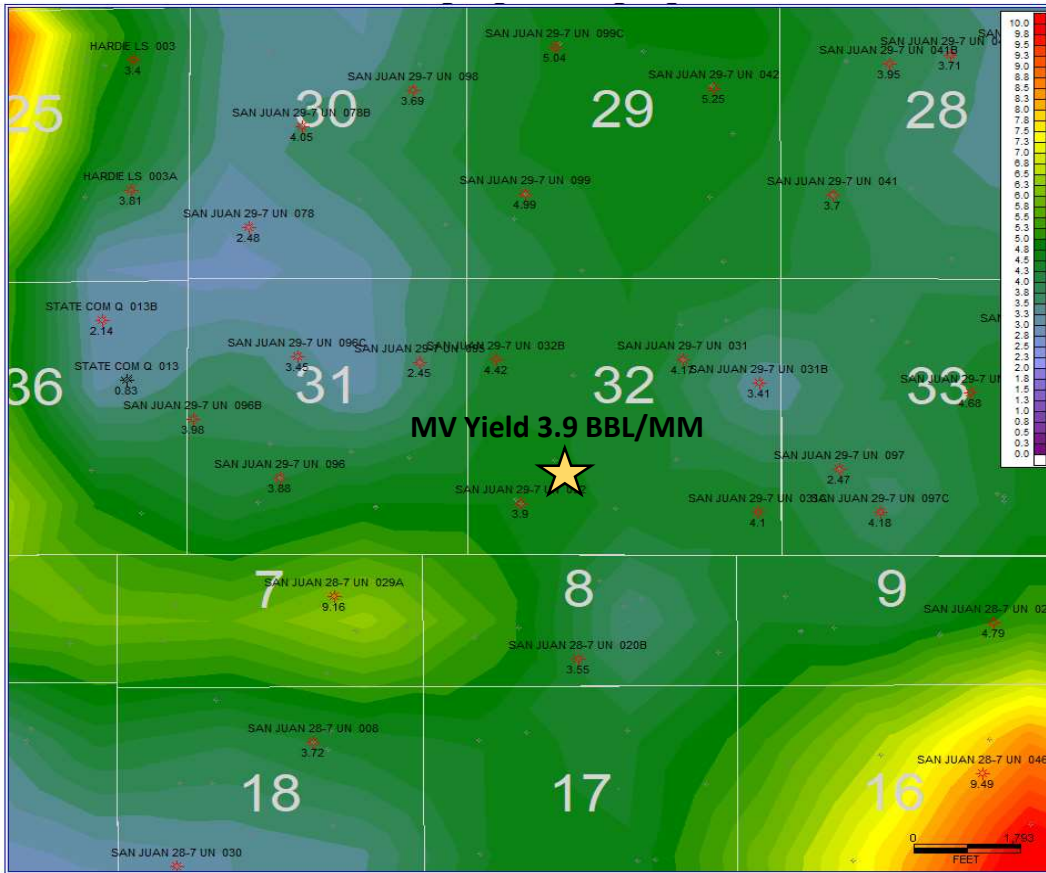
The Mesaverde and the Dakota formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage based allocation.

The new fixed percentage based allocation will be calculated from average production rates from the past twelve months.

Date	Gas Production		
	Dakota	Mesaverde	Total
Oct-20	45.0	95.2	140.2
Nov-20	44.8	96.2	141.0
Dec-20	44.4	85.8	130.2
Jan-21	44.2	85.8	130.0
Feb-21	43.9	85.8	129.7
Mar-21	43.6	82.6	126.2
Apr-21	43.4	75.6	119.0
May-21	43.1	75.9	119.0
Jun-21	42.8	84.2	127.0
Jul-21	42.6	78.8	121.4
Aug-21	42.3	78.5	120.8
Sep-21	42.0	77.7	119.7
Averages	44	84	127
% of Total	34%	66%	

Oil will be reallocated based on the average formation yields in surrounding area and new fixed allocations.

Formation	Yield		Updated Oil Allocation
Dakota	1.87	bbl/mmscf	20%
Mesaverde	3.95	bbl/mmscf	80%



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 109466

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 109466
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	6/2/2022