

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 type="checkbox"/>	
					Date: <b>12/12/22</b>  API No. <b>30-045-21787</b> DHC No. <b>DHC 2265-A</b> Lease No. <b>E-6288</b>	
Well Name <b>Koch State Com</b>					Well No. <b>1A</b>	
Unit Letter <b>I</b>	Section <b>36</b>	Township <b>T029N</b>	Range <b>R009W</b>	Footage <b>2110' FSL &amp; 620' FEL</b>	County, State <b>San Juan County, New Mexico</b>	
Completion Date		Test Method  HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>				
FORMATION <b>MESAVERDE</b>	GAS <b>87 MCF</b>	PERCENT <b>39%</b>	CONDENSATE		PERCENT <b>97%</b>	
<b>PICTURED CLIFFS</b>	<b>38 MCF</b>	<b>17%</b>			<b>3%</b>	
<b>FRUITLAND COAL</b>	<b>102 MCF</b>	<b>44%</b>			<b>0%</b>	
JUSTIFICATION OF 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. Oil allocated based on average formation yields in surrounding area and new fixed allocations.						
APPROVED BY <i>Kandis Roland</i>		DATE 12/12/2022		TITLE Operations/Regulatory Tech		PHONE 713-757-5246
X Kandis Roland		12/12/2022		Operations/Regulatory Tech		713-757-5246
For Technical Questions: Mohammad Shahvali		Reservoir Engineer		713-757-5271		

*Dean R McClure*

12/16/2022

## Koch State Com 1A Fixed Allocation

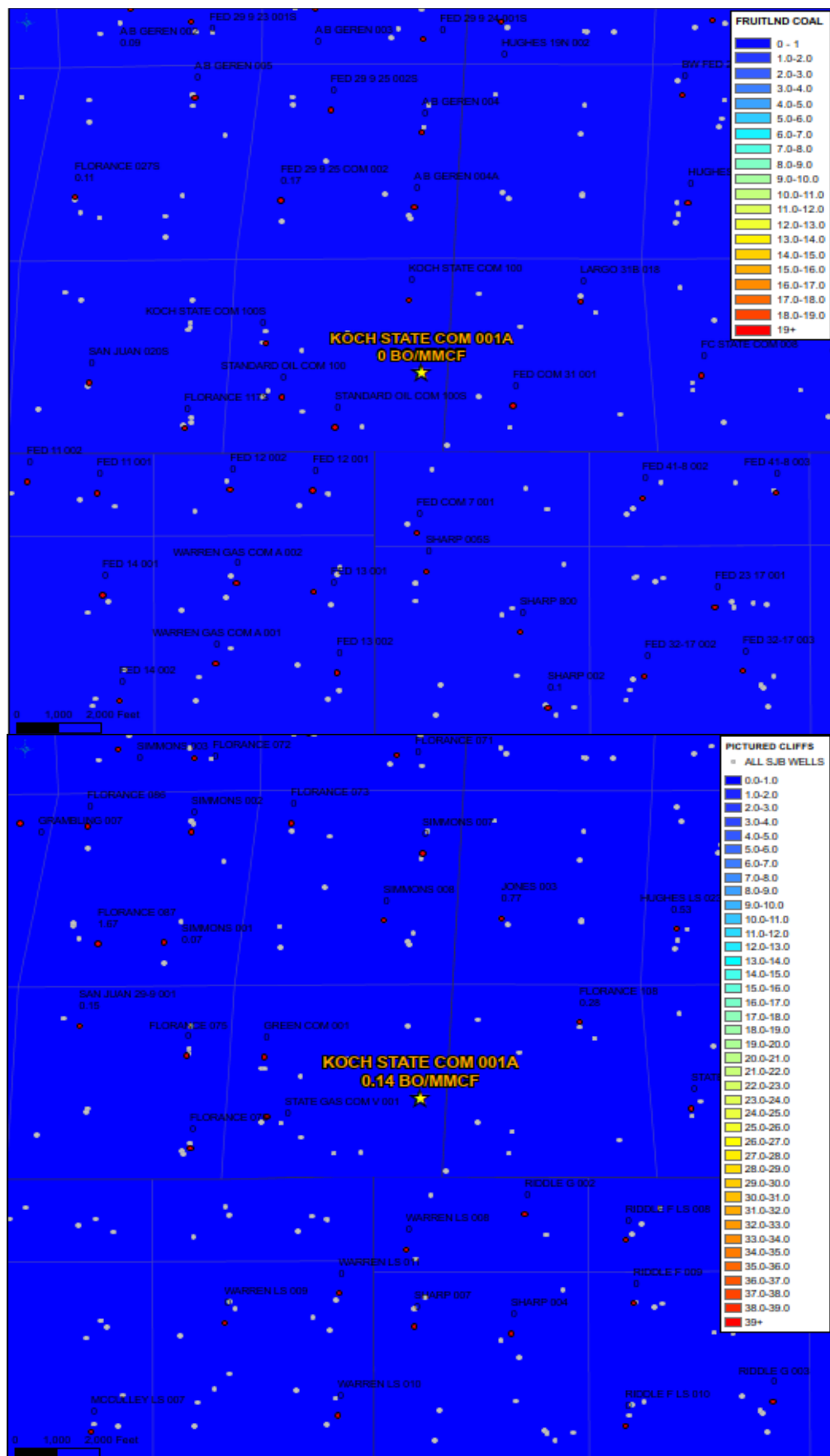
The Mesaverde, Pictured Cliffs and Fruitland Coal formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched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

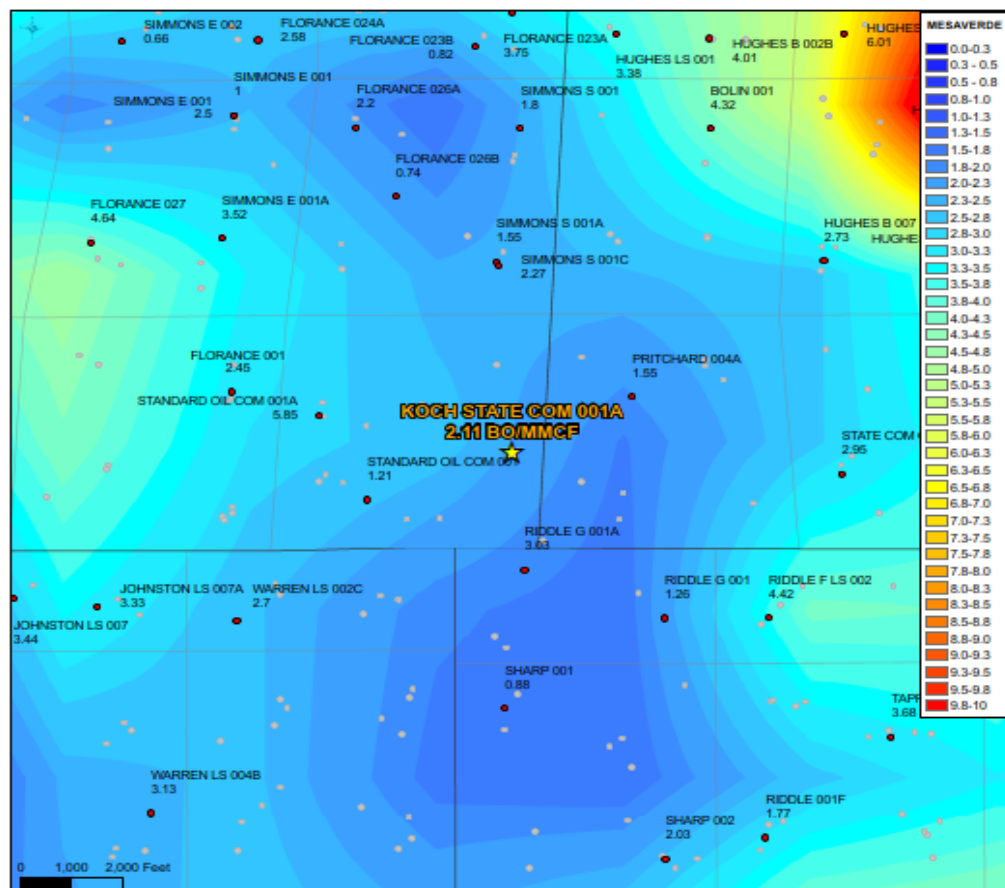
The new fixed percentage based allocation will be calculated from average production rates from the past twelve months.

Date	Gas Production			
	MV	PC	FC	Total
Oct-21	89.2	38.6	108.4	236.2
Nov-21	88.8	38.5	118.8	246.1
Dec-21	88.5	38.4	101.2	228.1
Jan-22	88.2	38.2	121.5	247.9
Feb-22	87.9	38.0	111.8	237.7
Mar-22	87.5	38.0	109.4	234.9
Apr-22	87.2	37.9	108.1	233.2
May-22	87.0	37.6	95.3	219.9
Jun-22	86.7	37.5	76.1	200.3
Jul-22	86.4	37.3	86.8	210.5
Aug-22	86.0	37.3	101.5	224.8
Sep-22	85.7	37.1	80.4	203.2
Averages	87	38	102	227
% of Total	39%	17%	44%	

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

Formation	Yield		Avg Gas Rate	Oil Allocation
MV	2.11	bbl/mmscf	87.4	97%
PC	0.14	bbl/mmscf	37.9	3%
FC	0	bbl/mmscf	101.6	0%





**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 166078

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 166078
	Action Type: [C-103] NOI General Sundry (C-103X)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	None	12/16/2022