

<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: 6/25/2024 API No. 30-039-26966 DHC No. DHC-5391 Lease No. E-290-39		
Well Name SAN JUAN 28-7 UNIT						Well No. 129F		
Unit Letter A	Section 2	Township 027N	Range 07W	Footage 770' FNL & 545' FEL	County, State RIO ARRIBA, New Mexico			
Completion Date 6/12/2024		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. 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. (No change from approved DHC)</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 66%, DK 34%. After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation. (No change from approved DHC)</p>								
NAME				DATE		TITLE		PHONE
X Cherylene Weston								
Cherylene Weston				6/25/2024		Operations/Regulatory Tech – Sr.		713-289-2615
For Technical Questions: Marcus Hill						Reservoir Engineer		346-237-2011

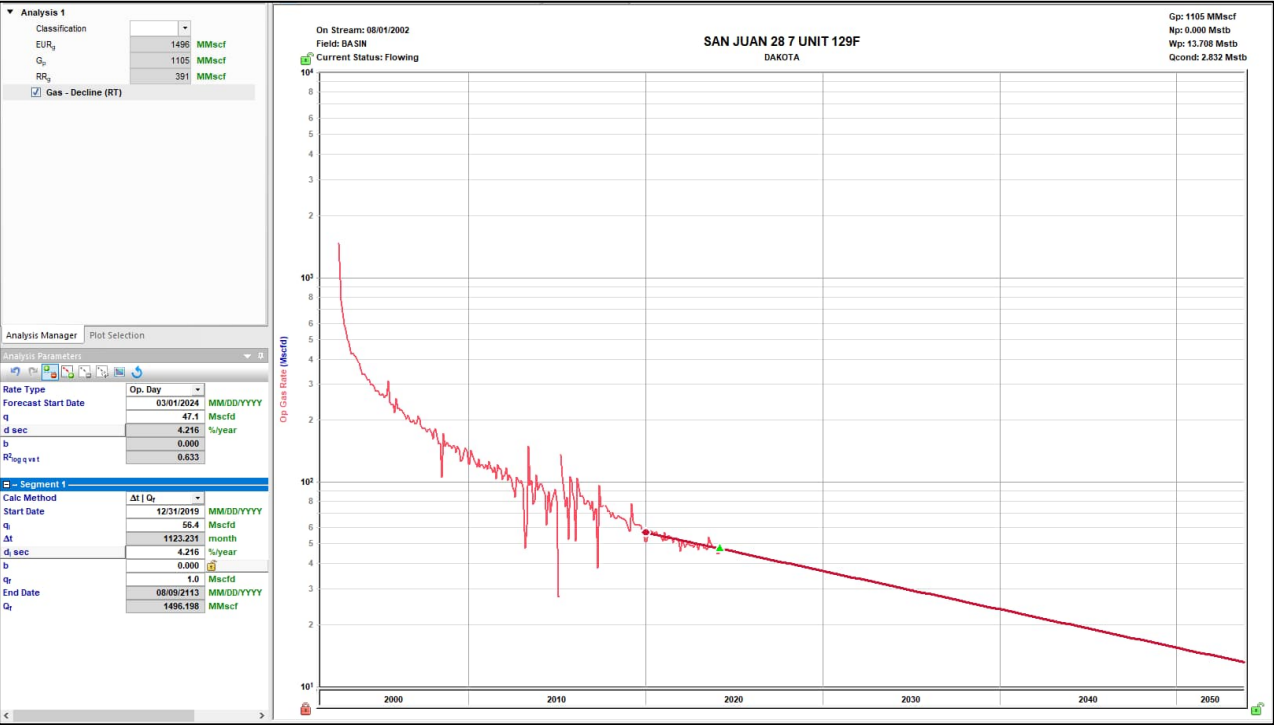
San Juan 28-7 Unit 129F Subtraction Allocation

	DK
Date	Mcf/d
Jun-24	46.5
Jul-24	46.4
Aug-24	46.2
Sep-24	46
Oct-24	45.9
Nov-24	45.7
Dec-24	45.5
Jan-25	45.4
Feb-25	45.2
Mar-25	45
Apr-25	44.9
May-25	44.7
Jun-25	44.6
Jul-25	44.4
Aug-25	44.2
Sep-25	44.1
Oct-25	43.9
Nov-25	43.8
Dec-25	43.6
Jan-26	43.5
Feb-26	43.3
Mar-26	43.1
Apr-26	43
May-26	42.8
Jun-26	42.7
Jul-26	42.5
Aug-26	42.4
Sep-26	42.2
Oct-26	42.1
Nov-26	41.9
Dec-26	41.8
Jan-27	41.6
Feb-27	41.5
Mar-27	41.3
Apr-27	41.2
May-27	41
Jun-27	40.9
Jul-27	40.7
Aug-27	40.6
Sep-27	40.4
Oct-27	40.3
Nov-27	40.2
Dec-27	40
Jan-28	39.9
Feb-28	39.7
Mar-28	39.6
Apr-28	39.4
May-28	39.3
Jun-28	39.2

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.

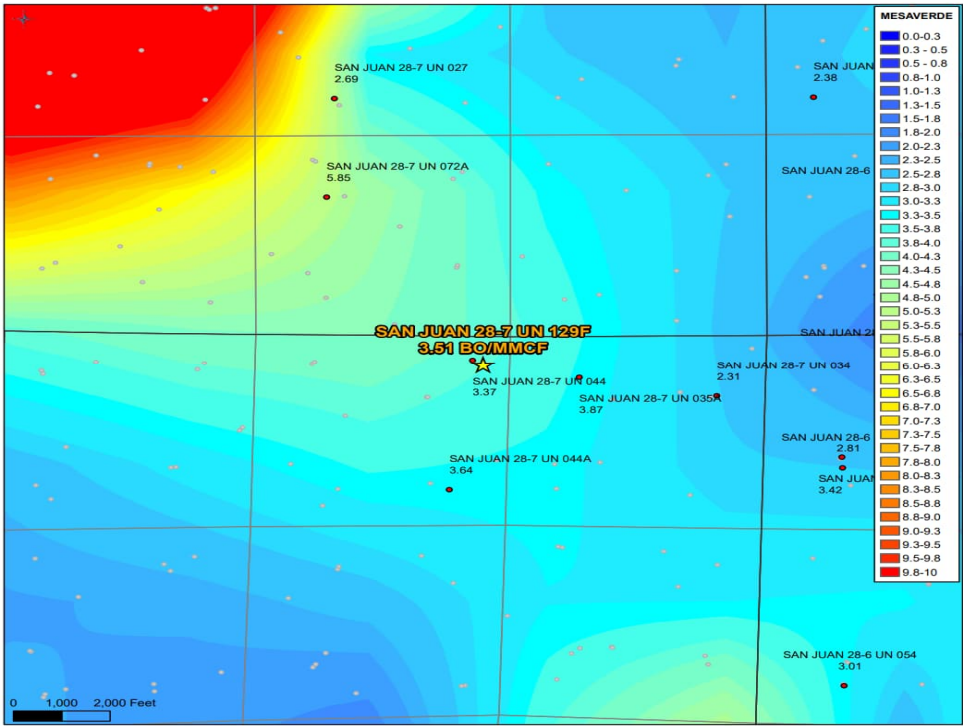
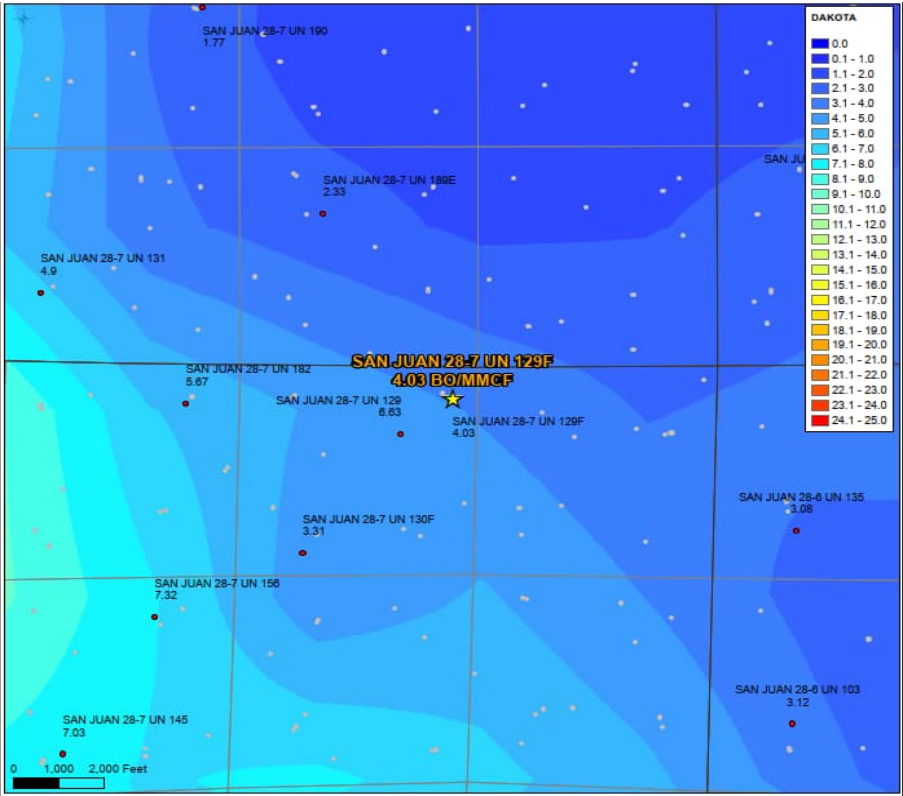


Oil Allocation:

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	2.00	391	34%
MV	3.51	436	66%
			100%



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 357277

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 357277
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	7/1/2024
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	7/1/2024