

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
BLM / NMOCD Original
Accounting
Well File
Revised: September 25, 2019

Status
PRELIMINARY
FINAL
REVISED

Commingle Type
SURFACE DOWNHOLE
Type of Completion
NEW DRILL RECOMPLETION PAYADD COMMINGLE

Date: **11/11/2021**

API No. **30-039-20517**
DHC No. **DHC-5158**
Lease No. **NMSF079290**

Well Name
San Juan 28-7 Unit

Well No.
164

Unit Letter B	Section 13	Township 28N	Range 7W	Footage 840' FNL & 1460' FEL	County, State Rio Arriba, New Mexico
-------------------------	----------------------	------------------------	--------------------	--	--

Completion Date 11/1/2021	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. 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). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast.

Oil production will be allocated based on average formation yields from offset wells: DK- 0%, MV- 100%

NAME	DATE	TITLE	PHONE
X <i>Kandis Roland</i>	11/11/2021	Operations/Regulatory Tech – Sr.	713-757-5246