Area: «TEAM»

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

OIL CONS. DIV DIST. 3

SEP 20 2017

Distribution:
BLM 4 Copies
Regulatory
Accounting
Well File
Revised: March 9, 2006

Status
PRELIMINARY ☐
FINAL ☒
REVISED ☒ 4th

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

Date: **09/19/2017**

API No. **30-045-34025**
DHC No. **DHC3956AZ**
Lease No. **E-3374**

Well Name
State Com M

Well No.
#10

Unit Letter	Section	Township	Range	Footage	County, State
L	**36**	**T032N**	**R011W**	**2110' FSL & 855' FWL**	**San Juan County, New Mexico**

Completion Date
9/1/2016

Test Method
HISTORICAL ☐ FIELD TEST ☒ PROJECTED ☐ OTHER ☐

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE		**53%**		**93%**
DAKOTA		**47%**		**7%**

JUSTIFICATION OF ALLOCATION: **Revise 4th allocation to Final Allocation.** These percentages are based upon compositional gas analysis tests from the Mesaverde and Dakota formations during completion operations. Subsequent allocations will be submitted every three months after the first delivery date. Allocation splits will keep changing until the gas analysis mole fractions stabilize. Condensate percentages are based upon the formation yields.

APPROVED BY	DATE	TITLE	PHONE
	9/25/17	District III Geologist	
X Kandis Roland	9/19/17	Operations/Regulatory Tech	505-324-5149
Kandis Roland			
X			

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COMPOSITIONAL ALLOCATION FORM

COMPANY: CONOCOPHILLIPS

WELL INFORMATION

LOCATION:	NM032N11W036L	Downhole
WELLNAME:	State Com M 10	
API NUMBER:	3004534025	
LEASE NUMBER:	E-3374	
COUNTY/ STATE	San Juan, NM	
FORMATIONS	MV/DK (BLANCO MESAVERDE/ BASIN DAKOTA)	
DHC # APPROVAL	DHC3956AZ	
ALLOCATION NUMBER	4	

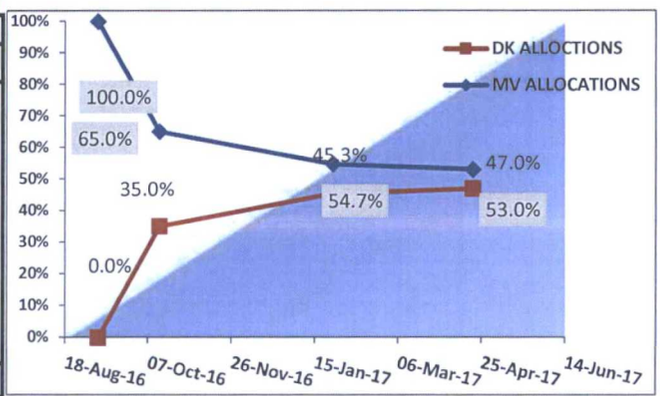
SAMPLE DATA

ANALYSIS FROM: Gas Analysis Service (Phone 505-5998998)

ANALYSIS REF NUMBER: CP170160 09/07/16

SAMPLE DATE: 4/20/2017

COMPONENT	MOLE %	NORM HC %	BTU
NITROGEN	1.06		
CO2	1.94		
METHANE	85.62	88.3%	864.78
ETHANE	6.42	6.6%	113.62
PROPANE	2.60	2.68%	65.29
I-BUTANE	0.58	0.6%	18.69
N-BUTANE	0.69	0.7%	22.61
I-PENTANE	0.28	0.3%	11.24
N-PENTANE	0.20	0.2%	8.18
HEXANE PLUS	0.60	0.6%	31.84
	100.000		1166.62
HYDROCARBON	96.994		



END POINTS INFORMATION

FROM STAND ALONE WELLS OR REAL TIME DATA

END POINTS INFORMATION	METHANE		ETHANE		PROPANE		TOTAL BUTANE	
	C1MV	C1DK	C2MV	C2DK	C3MV	C3DK	C4MV	C4DK
CONCENTRATION	81.66%	95.82%	9.43%	3.29%	4.75%	0.48%	2.40%	0.23%
Confidence ratio*	19.9		21.4		23.66		10.8	

*(Endpoints diff / Observed Variance)

If red, Member Conf ratio too low to be used for allocation purposes

	MV	DK	MV	DK	MV	DK	MV	DK
Allocations*	53.0%	47.0%	54%	46%	51%	49%	35%	65%

*Calculated using formulas below	
MV ALLOC=	DKendP-Mix / DKendP-MVendP
DK ALLOC=	Mix-MVPend / DKendP-MVendP

CENTRAL MEMBER*

CONF RATIO	COMP
23.7	C3
CM ALLOC	
MV	DK
51%	49%

*Central Member (Component with higher **Confidence Ratio**)

ALLOCATION CALCULATION

ONLY THOSE COMPONENTS WHOSE ALLOCATIONS ARE 15% POINTS WITHIN THE CENTRAL MEMBER WILL BE USED FOR THE AVERAGE ESTIMATION (Zeros and Neg Discarded)

15% Check	MV ALL
C1	53.000%
C2	54.000%
C3	51.000%
C4	

OFFICIAL GAS ALLOC	
MV	DK
53.0%	47.0%
Oil*	Oil*
93%	7%

* Oil allocation based on Historical yields

* If both are zero then Oil alloc= Gas alloc

SIGNATURES

NAME	TITLE	DATE	SIGNATURE