

RECEIVED

SEP 21 2017

# Hilcorp Energy Company

 Farmington Field Office  
 Bureau of Land Management

 Distribution:  
 BLM 4 Copies  
 Regulatory  
 Accounting  
 Well File

Revised: March 9, 2006

## PRODUCTION ALLOCATION FORM

### OIL CONS. DIV DIST. 3

 Status  
 PRELIMINARY ☐  
 FINAL ☒  
 REVISED ☒ 4th

SEP 27 2017

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

Date: 09/19/2017

API No. 30-045-33881

DHC No. DHC3791AZ

Lease No. NMNM-03187

 Well Name  
**Lambe**

 Well No.  
**#1E**

Unit Letter	Section	Township	Range	Footage
<b>M</b>	<b>21</b>	<b>T031N</b>	<b>R010W</b>	<b>1220' FSL &amp; 1125' FWL</b>

 County, State  
**San Juan County,  
 New Mexico**

Completion Date	Test Method
<b>9/1/2016</b>	HISTORICAL <input type="checkbox"/> FIELD TEST <input checked="" type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>

FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
MESAVERDE		75%		98%
DAKOTA		25%		2%

JUSTIFICATION OF ALLOCATION: **Final Allocation Effective Date 5/1/2017.** 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
<i>William Tambekou</i>	<i>9/22/2017</i>	<i>Petroleum Engineer</i>	<i>505-564-7746</i>
X <i>Kandis Roland</i>	<i>9/19/2017</i>	Operations/Regulatory Tech	505-324-5149
Kandis Roland			
X			

NMOCD *Ar*

2

# COMPOSITIONAL ALLOCATION FORM

## COMPANY: CONOCOPHILLIPS

### WELL INFORMATION

**LOCATION:** NM031N10W021M Downhole  
**WELLNAME:** Lambe 1E  
**API NUMBER:** 3004533881  
**LEASE NUMBER:** NMNM-03187  
**COUNTY/ STATE:** San Juan, NM  
**FORMATIONS:** MV/DK (BLANCO MESAVERDE/ BASIN DAKOTA)  
**DHC # APPROVAL:**  
**ALLOCATION NUMBER:** 4

OIL CONS. DIV DIST. 3

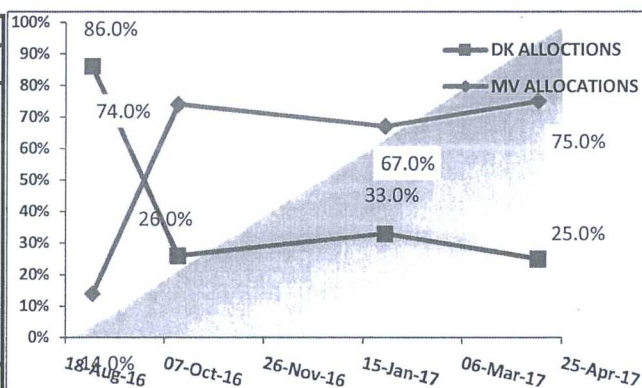
SEP 27 2017

### SAMPLE DATA

**ANALYSIS FROM:** Gas Analysis Service (Phone 505-5998998)  
**ANALYSIS REF NUMBER:** CP170159 09/01/16

**SAMPLE DATE:** 4/13/2017

COMPONENT	MOLE %	NORM HC %	BTU
NITROGEN	1.44		
CO2	1.71		
METHANE	84.18	86.9%	850.21
ETHANE	6.91	7.1%	122.26
PROPANE	2.98	3.07%	74.90
I-BUTANE	0.58	0.6%	18.99
N-BUTANE	0.88	0.9%	28.81
I-PENTANE	0.34	0.3%	13.40
N-PENTANE	0.26	0.3%	10.42
HEXANE PLUS	0.72	0.7%	38.11
	100.000		1188.93
HYDROCARBON	96.849		



### 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	84.08%	97.31%	8.81%	2.00%	3.81%	0.33%	1.84%	0.18%
Confidence ratio*	18.2		28.0		24.33		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*	79.0%	21.0%	75%	25%	79%	21%	65%	35%

\*Calculated using formulas below

MV ALLOC= DKendP-Mix / DKendP-MVendP

DK ALLOC= Mix-MVPend / DKendP-MVendP

CENTRAL MEMBER\*

CONF RATIO	COMP
28.0	C2
CM ALLOC	
MV	DK
75%	25%

\*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	79.000%
C2	75.000%
C3	79.000%
C4	65.000%

### OFFICIAL GAS ALLOC

MV	DK
75.0%	25.0%
Oil*	Oil*
98%	2%

\* Oil allocation based on Historical yields

\* If both are zero then Oil alloc= Gas alloc

### SIGNATURES

NAME	TITLE	DATE	SIGNATURE
_____	_____	_____	_____
_____	_____	_____	_____