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Well File
Revised: March 9, 2006

Hilcorp Energy Company

Farmington Field Office
Bureau of Land Management

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY
FINAL
REVISED

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

Date: 3/7/18
API No. 30-045-25608
DHC No. DHC 3976AZ
Lease No. 080724-A
Federal

Well Name
Zachry

Well No.
#48

Unit Letter G	Section 34	Township T029N	Range R010W	Footage 1980' FNL & 2145' FEL	County, State San Juan, New Mexico
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Completion Date 3/3/2018	Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>
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JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Gallup 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. MV- 84%, GP- 16%

APPROVED BY	DATE	TITLE	PHONE
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DISTRICT III