

APR 30 2018

Area: «TEAM»

RECEIVED

DISTRICT III

APR 23 2018

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

Status

PRELIMINARY ☒FINAL ☐REVISED ☐

Date: 4/20/2018

API No. 30-039-27037

DHC No. DHC-3971-AZ

Lease No. NMSF-078640

Federal

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Well Name

San Juan 28-7 Unit

Well No.

155F

Unit Letter

N

Section

22

Township

T027N

Range

R07W

Footage

20' FSL & 1980' FWL

County, State

Rio Arriba,
New Mexico

Completion Date

3/25/2018

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Basin 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. MV- 84%, DK- 16%

APPROVED BY

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4/24/2018

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