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Hilcorp Energy Company

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Well File

Revised: March 9, 2018

PRODUCTION ALLOCATION FORM

Status

PRELIMINARY ☒FINAL ☐REVISED ☒

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Date: 5/7/2018

API No. 30-039-29423

DHC No. DHC 1814

Lease No. NMSF079049A

Federal

Well Name

San Juan 28-6 Unit

Well No.

115N

Unit Letter

Surf - O

Section

3

Township

T27N

Range

R06W

Footage

1250' FSL & 2100' FEL

County, State

Rio Arriba,
New Mexico

Completion Date

2/17/2018

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 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- 88%, DK- 12%

APPROVED BY	DATE	TITLE	PHONE
<i>William Tarabekou</i>	5/15/2018	<i>Petroleum Engineer</i>	505-564-7746
X <i>[Signature]</i>		Area Operations Manager	713-209-2449
Nick Kunze			

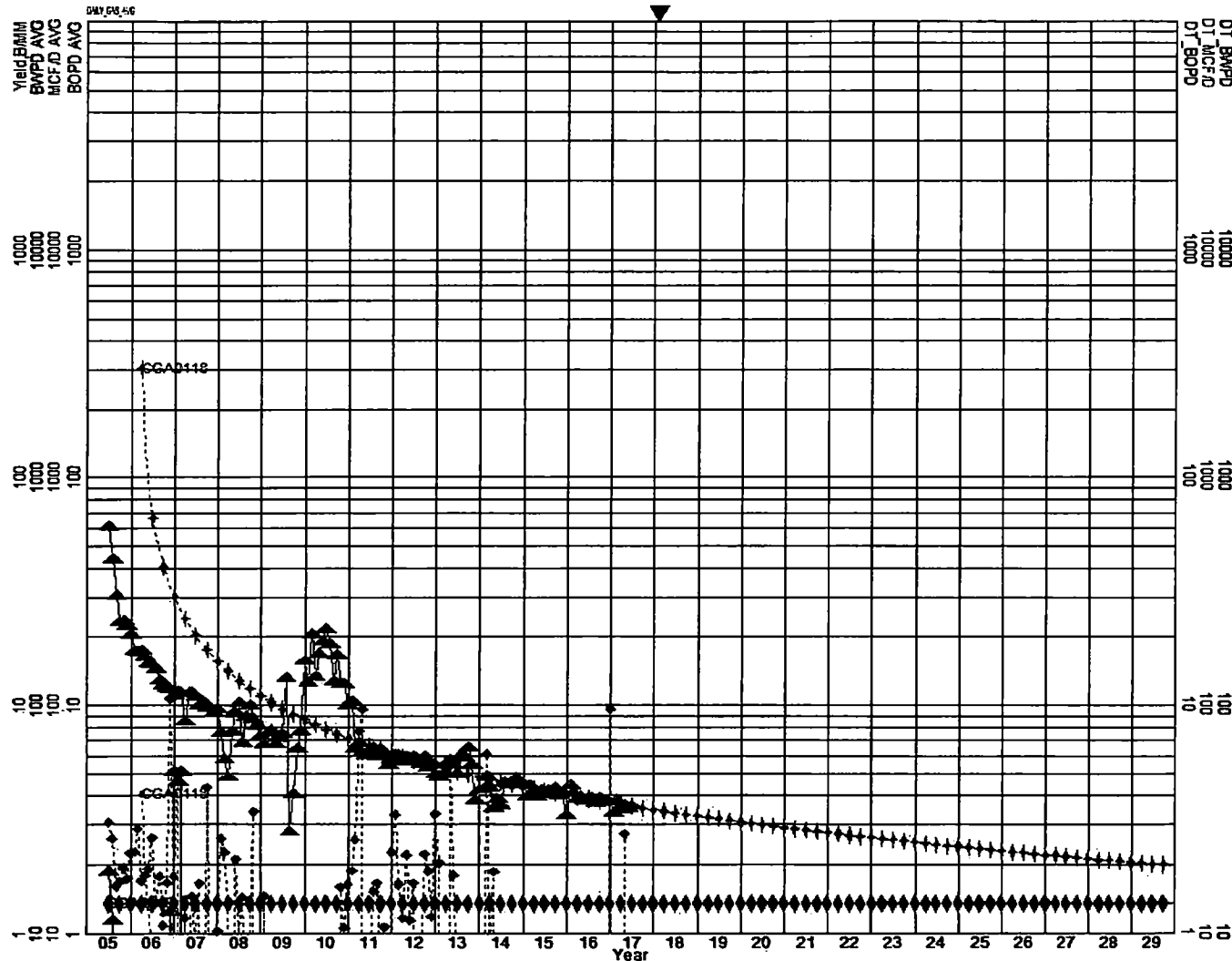
NMOCD

San Juan 28-6 Unit 115N Subtraction Allocation

Date	Mcf/d
Mar-18	34.3
Apr-18	34.1
May-18	33.9
Jun-18	33.8
Jul-18	33.6
Aug-18	33.4
Sep-18	33.2
Oct-18	33.0
Nov-18	32.9
Dec-18	32.7
Jan-19	32.5
Feb-19	32.3
Mar-19	32.2
Apr-19	32.0
May-19	31.8
Jun-19	31.7
Jul-19	31.5
Aug-19	31.4
Sep-19	31.2
Oct-19	31.1
Nov-19	30.9
Dec-19	30.8
Jan-20	30.6
Feb-20	30.5
Mar-20	30.3
Apr-20	30.2
May-20	30.0
Jun-20	29.9
Jul-20	29.7
Aug-20	29.6
Sep-20	29.5
Oct-20	29.3
Nov-20	29.2
Dec-20	29.1
Jan-21	28.9
Feb-21	28.8
Mar-21	28.7
Apr-21	28.6
May-21	28.4
Jun-21	28.3
Jul-21	28.2
Aug-21	28.1
Sep-21	27.9
Oct-21	27.8
Nov-21	27.7
Dec-21	27.6
Jan-22	27.5
Feb-22	27.3

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 using historic production. All production from this well exceeding the forecast will be allocated to the new formation. Oil production will be allocated based on average formation yields from offset wells.

San Juan 28-6 Un 115N
FIELD: AREA 8
RESERVOIR: DAKOTA
API: 30039294230000



MCF/D AVG	CGA0118
Qual=	2/2018
Ref=	396578
Cum=	336516
Rem=	733095
EUR=	114.417
Yrs=	34.4
b=	1.250000
De=	6.262187
Dmin=	3.000000
Qab=	0.9
BOPD AVG	CGA0118
Calc=	2/2018
Ref=	557
Cum=	454
Rem=	1011
EUR=	114.417
Yrs=	
BWPD AVG	CGA0118
Ref=	2/2018
Cum=	4642
Yield, B/MM	CGA0118
Qual=	2/2018
Ref=	1.35000
Rbeg=	1.35000
Rend=	114.417
Yrs=	LogTime
Type=	m= -0.000000
DT_BOPD	Ref= 2/2018
Cum=	0
DT_MCF/D	Ref= 2/2018
Cum=	0
DT_BWPD	Ref= 2/2018
Cum=	0

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	1.35	336.516	12%
MV	3.22	1071	88%