

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

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Accounting
Well File
Revised: March 9, 2018

Farmington Office
Bureau of Land Management

Status

PRELIMINARY
FINAL
REVISED

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

Date: 7/12/2018

API No. 30-039-26910
DHC No. DHC 4051AZ
Lease No. NMSF078281
Federal

Well Name
San Juan 29-5 Unit

Well No.
#24A

Unit Letter H	Section 17	Township T29N	Range R05W	Footage 1821'FNL & 520'FEL	County, State Rio Arriba, New Mexico
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Completion Date: 7/9/2018
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 Mesaverde and the added formation to be commingled is the Pictured Cliffs. 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: PC - 4%, MV - 96%

APPROVED BY	DATE	TITLE	PHONE
<i>William Tambekou</i>	7/18/2018	Petroleum Engineer	505-564-7746
X <i>[Signature]</i>		Area Operations Manager	713-209-2449
Nick Kunze			

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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DISTRICT III

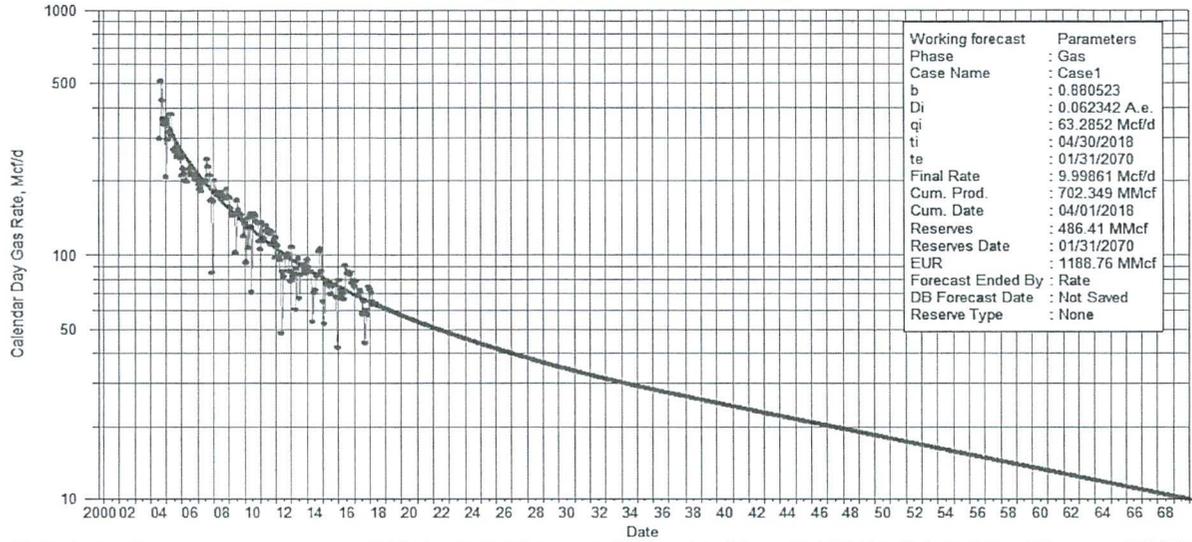
NMOCD

San Juan 29-5 Unit 24A Subtraction Allocation

Date	Mcf/d
May-18	63.11
Jun-18	62.76
Jul-18	62.42
Aug-18	62.07
Sep-18	61.74
Oct-18	61.41
Nov-18	61.08
Dec-18	60.75
Jan-19	60.42
Feb-19	60.11
Mar-19	59.81
Apr-19	59.5
May-19	59.19
Jun-19	58.88
Jul-19	58.57
Aug-19	58.27
Sep-19	57.97
Oct-19	57.67
Nov-19	57.38
Dec-19	57.09
Jan-20	56.8
Feb-20	56.52
Mar-20	56.24
Apr-20	55.96
May-20	55.69
Jun-20	55.41
Jul-20	55.14
Aug-20	54.87
Sep-20	54.6
Oct-20	54.34
Nov-20	54.08
Dec-20	53.82
Jan-21	53.56
Feb-21	53.31
Mar-21	53.07
Apr-21	52.82
May-21	52.57
Jun-21	52.32
Jul-21	52.08
Aug-21	51.83
Sep-21	51.59
Oct-21	51.36
Nov-21	51.12
Dec-21	50.89
Jan-22	50.65
Feb-22	50.43
Mar-22	50.21
Apr-22	49.99

Base formation is the Mesaverde and the added formation to be commingled is the Pictured Cliffs. 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.

WellComp: San Juan 29-5 Un 024A (MESAVERDE) - 30.1044.0896.00
Rate-Cumulative Decline Analysis



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	2.131	486.41	96%
PC	0.05	957	4%