

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
NMOCD Original
BLM 5 Copies
Accounting
Well File
Revised: March 9, 2018

AUG 06 2018

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

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

Date: 8/2/2018

API No. 30-039-29554
DHC No. DHC 4836
Lease No. NMNM03188
Federal

Well Name
San Juan 29-5 Unit

Well No.
#65F

Unit Letter	Section	Township	Range	Footage	County, State
D	28	T29N	R05W	480'FNL & 15'FWL	Rio Arriba, New Mexico

Completion Date: 8/1/2018
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 formations are the Dakota and 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 - 2%, MV - 97.5%, DK - 0.5%

APPROVED BY	DATE	TITLE	PHONE
<i>William Tambekou</i>	8/7/2018	Petroleum Engineer	505-564-7746
X <i>[Signature]</i>		Area Operations Manager	713-209-2449
Nick Kunze			

NMOCD

NMOCD
AUG 09 2018
DISTRICT III

San Juan 29-5 Unit 65F Subtraction Allocation

Mesaverde

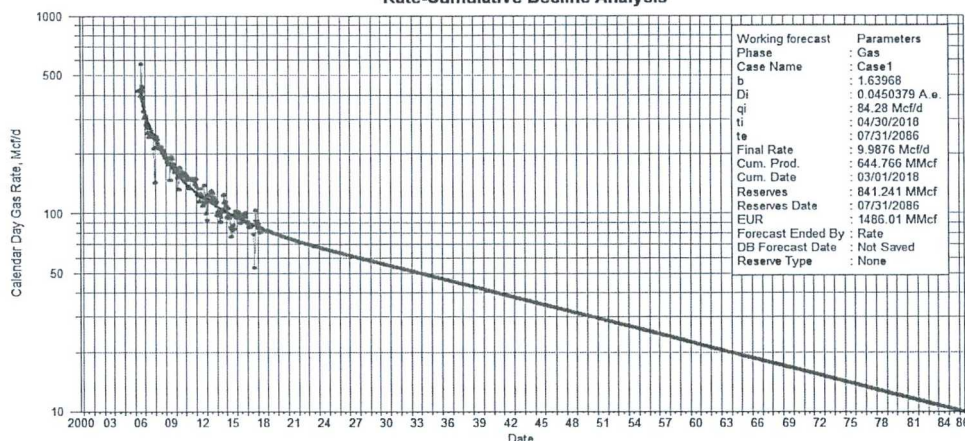
Date	Mcf/d
May-18	84.11
Jun-18	83.78
Jul-18	83.45
Aug-18	83.11
Sep-18	82.79
Oct-18	82.47
Nov-18	82.16
Dec-18	81.84
Jan-19	81.53
Feb-19	81.23
Mar-19	80.94
Apr-19	80.63
May-19	80.34
Jun-19	80.04
Jul-19	79.75
Aug-19	79.45
Sep-19	79.17
Oct-19	78.88
Nov-19	78.6
Dec-19	78.32
Jan-20	78.04
Feb-20	77.77
Mar-20	77.5
Apr-20	77.24
May-20	76.97
Jun-20	76.71
Jul-20	76.44
Aug-20	76.18
Sep-20	75.92
Oct-20	75.67
Nov-20	75.42
Dec-20	75.17
Jan-21	74.91
Feb-21	74.68
Mar-21	74.44
Apr-21	74.2
May-21	73.96
Jun-21	73.72
Jul-21	73.49
Aug-21	73.25
Sep-21	73.02
Oct-21	72.79
Nov-21	72.56
Dec-21	72.33
Jan-22	72.11
Feb-22	71.89
Mar-22	71.68
Apr-22	71.46

Dakota

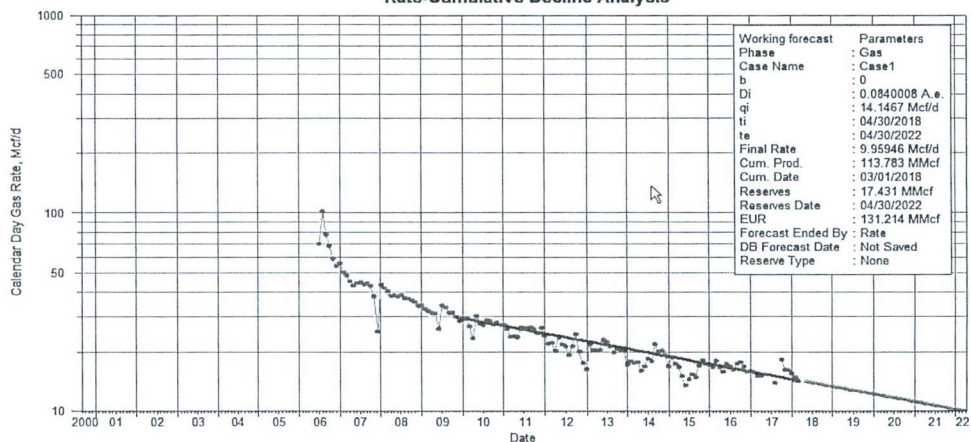
Date	Mcf/d
May-18	14.09
Jun-18	13.99
Jul-18	13.89
Aug-18	13.79
Sep-18	13.69
Oct-18	13.59
Nov-18	13.49
Dec-18	13.39
Jan-19	13.29
Feb-19	13.19
Mar-19	13.1
Apr-19	13.01
May-19	12.91
Jun-19	12.82
Jul-19	12.72
Aug-19	12.63
Sep-19	12.54
Oct-19	12.45
Nov-19	12.35
Dec-19	12.26
Jan-20	12.17
Feb-20	12.09
Mar-20	12
Apr-20	11.91
May-20	11.82
Jun-20	11.74
Jul-20	11.65
Aug-20	11.57
Sep-20	11.48
Oct-20	11.4
Nov-20	11.31
Dec-20	11.23
Jan-21	11.15
Feb-21	11.07
Mar-21	10.99
Apr-21	10.91
May-21	10.83
Jun-21	10.75
Jul-21	10.67
Aug-21	10.59
Sep-21	10.52
Oct-21	10.44
Nov-21	10.36
Dec-21	10.29
Jan-22	10.21
Feb-22	10.14
Mar-22	10.07
Apr-22	10

Base formations are the Dakota and Mesaverde. The added formation to be commingled is the Pictured Cliffs. The subtraction method applies average monthly production forecasts to the base formations using historic production. All production from this well exceeding the sum of the forecasts will be allocated to the new formation.

WellComp: San Juan 29-5 Un 065F (MESAVERDE) - 30.1044.1030.00
Rate-Cumulative Decline Analysis



WellComp: San Juan 29-5 Un 065F (DAKOTA) - 30.1044.1030.01
Rate-Cumulative Decline Analysis



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	0.51	17.4	0.5%
MV	2.15	841.2	97.4%
PC	0.05	802	2.2%