

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

NMOCD

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

Status
PRELIMINARY
FINAL
REVISED

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

AUG 7 0 2018

DISTRICT III

Date: **8/13/2018**

API No. **30-039-29681**
DHC No. **DHC 4044AZ**
Lease No. **E-289-3**
State

Well Name
San Juan 29-5 Unit

Well No.
#10C

Unit Letter	Section	Township	Range	Footage	County, State
D	16	T29N	R05W	600'FNL & 800'FWL	Rio Arriba, New Mexico

Completion Date	Test Method
8/10/2018	HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>

160 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 - 5%, MV - 95%

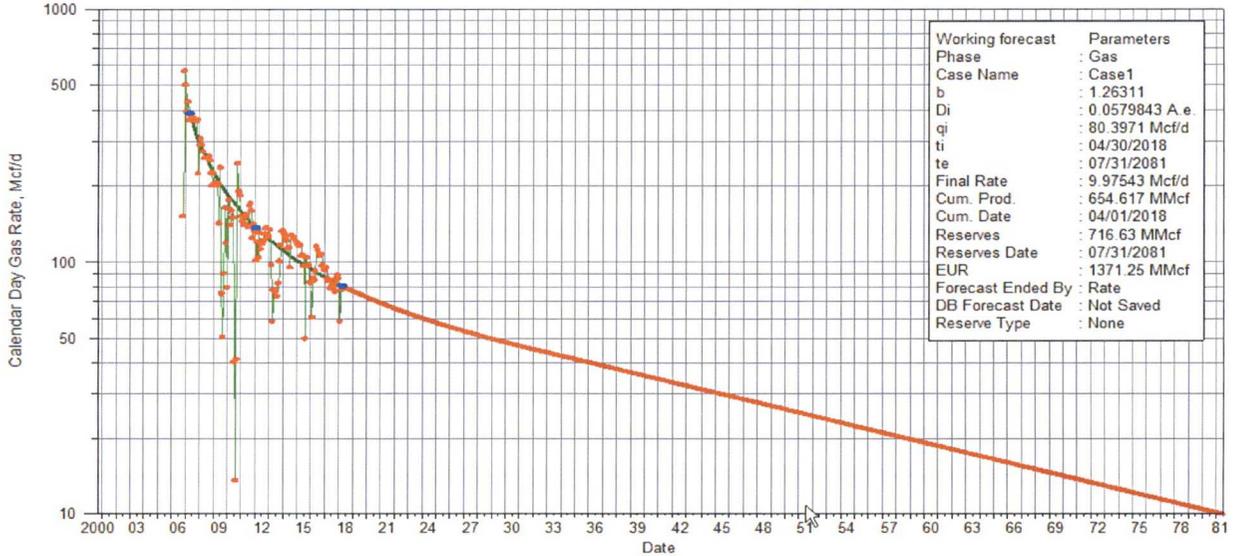
APPROVED BY	DATE	TITLE	PHONE
X 		Area Operations Manager	713-209-2449
Nick Kunze			

San Juan 29-5 Unit 10C Subtraction Allocation

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.

Date	Mcf/d
May-18	80.19
Jun-18	79.77
Jul-18	79.37
Aug-18	78.96
Sep-18	78.56
Oct-18	78.17
Nov-18	77.78
Dec-18	77.4
Jan-19	77.01
Feb-19	76.65
Mar-19	76.29
Apr-19	75.92
May-19	75.55
Jun-19	75.19
Jul-19	74.84
Aug-19	74.48
Sep-19	74.13
Oct-19	73.79
Nov-19	73.45
Dec-19	73.11
Jan-20	72.77
Feb-20	72.44
Mar-20	72.12
Apr-20	71.8
May-20	71.48
Jun-20	71.16
Jul-20	70.84
Aug-20	70.53
Sep-20	70.22
Oct-20	69.91
Nov-20	69.61
Dec-20	69.31
Jan-21	69.01
Feb-21	68.73
Mar-21	68.45
Apr-21	68.16
May-21	67.87
Jun-21	67.59
Jul-21	67.31
Aug-21	67.03
Sep-21	66.75
Oct-21	66.48
Nov-21	66.21
Dec-21	65.95
Jan-22	65.68
Feb-22	65.42
Mar-22	65.17
Apr-22	64.91

WellComp: San Juan 29-5 Un 010C (MESAVERDE) - 30.1044.1062.00
Rate-Cumulative Decline Analysis



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	1.19	716.63	95%
PC	0.05	957	5%