

AUG 22 2018

Farmington Field Office
Bureau of Land Management

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Well File
Revised: March 9, 2018

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY
FINAL
REVISED

Commingle Type
SURFACE DOWNHOLE
Type of Completion
NEW DRILL RECOMPLETION PAY ADD COMMINGLE

Date: 8/14/2018
API No. 30-039-29759
DHC No. DHC 4048AZ
Lease No. NMSF-078642
Federal

AUG 25 2018

Well Name
San Juan 29-5 Unit

DISTRICT III

Well No.
#61A

Unit Letter O	Section 09	Township T29N	Range R05W	Footage 1100'FSL & 2600'FEL	County, State Rio Arriba, New Mexico
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Completion Date 8/10/2018	Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>
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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 – 8% MV – 92%

APPROVED BY	DATE	TITLE	PHONE
<i>William Tambekou</i>	<i>8/23/2018</i>	<i>Petroleum Engineer</i>	<i>505-564-7746</i>
X <i>[Signature]</i>		Area Operations Manager	713-209-2449
Nick Kunze			

NMOCD

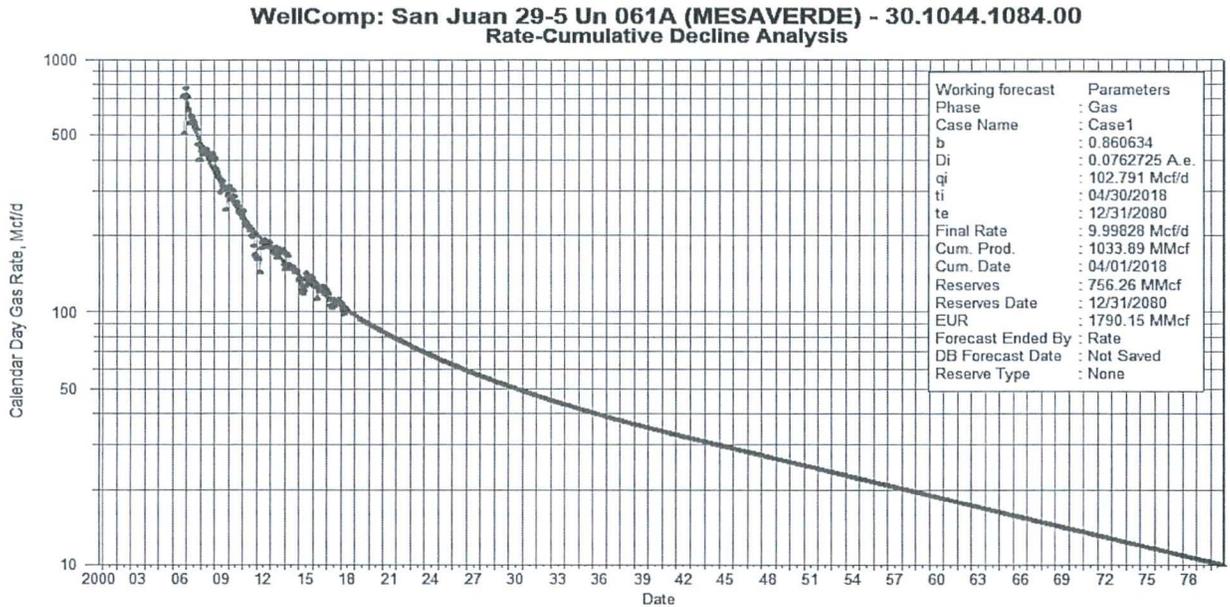
KP

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San Juan 29-5 Unit 61A Subtraction Allocation

Date	Mcf/d
May-18	102.4
Jun-18	101.7
Jul-18	101.1
Aug-18	100.4
Sep-18	99.69
Oct-18	99.03
Nov-18	98.38
Dec-18	97.73
Jan-19	97.08
Feb-19	96.47
Mar-19	95.87
Apr-19	95.26
May-19	94.65
Jun-19	94.05
Jul-19	93.45
Aug-19	92.86
Sep-19	92.28
Oct-19	91.7
Nov-19	91.14
Dec-19	90.58
Jan-20	90.01
Feb-20	89.48
Mar-20	88.94
Apr-20	88.41
May-20	87.88
Jun-20	87.35
Jul-20	86.84
Aug-20	86.32
Sep-20	85.81
Oct-20	85.31
Nov-20	84.81
Dec-20	84.32
Jan-21	83.83
Feb-21	83.37
Mar-21	82.91
Apr-21	82.44
May-21	81.97
Jun-21	81.51
Jul-21	81.06
Aug-21	80.6
Sep-21	80.15
Oct-21	79.71
Nov-21	79.27
Dec-21	78.84
Jan-22	78.41
Feb-22	78
Mar-22	77.59
Apr-22	77.18

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.



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	0.698	756.26	92%
PC	0.05	957	8%