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Revised: March 9, 2018

Hilcorp Energy Company

Farmington Field Office
Bureau of Land Management

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY
FINAL
REVISED

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

Date: 8/27/2018

API No. 30-045-11797
DHC No. 4036AZ
Lease No. NMSF078147
Federal

Well Name
Moore C

Well No.
1

| | | | | | |
|-------------------------|----------------------|------------------------|---------------------|--|--|
| Unit Letter P | Section 27 | Township 32N | Range 12W | Footage 820' FSL & 1105' FEL | County, State San Juan, New Mexico |
|-------------------------|----------------------|------------------------|---------------------|--|--|

| | |
|-------------------------------------|---|
| Completion Date 8/12/2018 | Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> |
|-------------------------------------|---|

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: DK- 0%, MV- 100%

| APPROVED BY | DATE | TITLE | PHONE |
|-------------------------|------------------|----------------------------------|---------------------|
| <i>William Tambekou</i> | <i>8/31/2018</i> | <i>Petroleum Engineer</i> | <i>505-564-7746</i> |
| X <i>Amanda Walker</i> | <i>8/27/2018</i> | Operations/Regulatory Tech – Sr. | 505.324.5122 |
| Amanda Walker | | | |
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DISTRICT III

KP