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Bureau of Land Management

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Well File
Revised: March 9, 2006

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY
FINAL
REVISED

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

Date: 8/14/2018

API No. 30-045-30351
DHC No. DHC-4297
Lease No. NM-03999
Federal

Well Name
Grambling

Well No.
5R

Unit Letter O	Section 27	Township T029N	Range R09W	Footage 765' FSL & 1955' FEL	County, State San Juan, New Mexico
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Completion Date 8/7/2018	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 Pictured Cliffs and the added formation to be commingled is the Fruitland Coal. 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.

Original base formation produced zero oil. All oil will be allocated to the new formation (FC).

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>Christine Brock</i>	<i>8/28/18</i>	Regulatory/Operations Tech	505-324-5155
Christine Brock			

* No Allocation percentage, submit allocation percentage

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SEP 06 2018

DISTRICT III