

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

RECEIVED

SEP 10 2018

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

Farmington Field Office  
 Bureau of Land Management

Status  
 PRELIMINARY   
 FINAL   
 REVISED

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

Date: 8/23/2018  
 API No. 30-039-29742  
 DHC No. DHC 4020AZ  
 Lease No. NMSF078343  
 Federal

Well Name  
**San Juan 29-5 Unit**

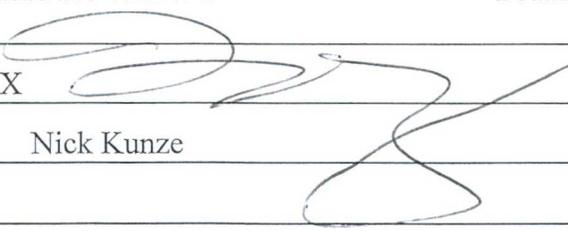
Well No.  
**#17B**

Unit Letter <b>H</b>	Section <b>5</b>	Township <b>T29N</b>	Range <b>R05W</b>	Footage <b>2110'FNL &amp; 310'FEL</b>	County, State <b>Rio Arriba, New Mexico</b>
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Completion Date: **8/17/2018**  
 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 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 - 25%, MV - 75%

APPROVED BY	DATE	TITLE	PHONE
X 		Area Operations Manager	713-209-2449
Nick Kunze			
			<b>ACCEPTED FOR RECORD</b>
			<b>OCT 03 2018</b>

NMOCD

OCT 09 2018

DISTRICT III

FARMINGTON FIELD OFFICE  
 By: 

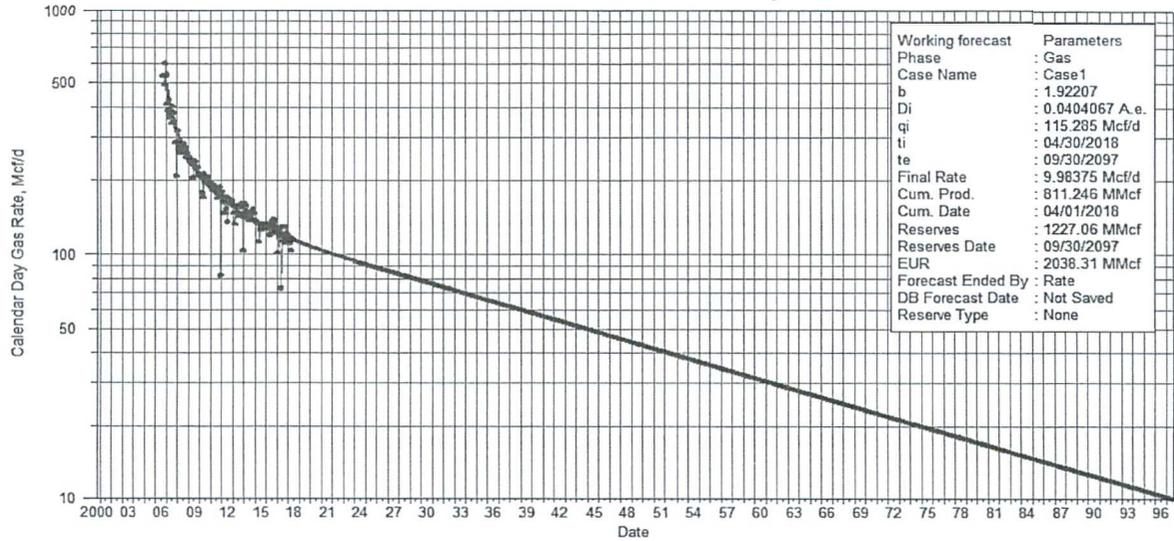
NMOCD

## San Juan 29-5 Unit 17B 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	115.1
Jun-18	114.7
Jul-18	114.3
Aug-18	113.9
Sep-18	113.5
Oct-18	113.1
Nov-18	112.7
Dec-18	112.3
Jan-19	111.9
Feb-19	111.5
Mar-19	111.2
Apr-19	110.8
May-19	110.4
Jun-19	110.1
Jul-19	109.7
Aug-19	109.4
Sep-19	109
Oct-19	108.7
Nov-19	108.3
Dec-19	108
Jan-20	107.6
Feb-20	107.3
Mar-20	107
Apr-20	106.6
May-20	106.3
Jun-20	106
Jul-20	105.7
Aug-20	105.3
Sep-20	105
Oct-20	104.7
Nov-20	104.4
Dec-20	104.1
Jan-21	103.8
Feb-21	103.5
Mar-21	103.2
Apr-21	102.9
May-21	102.6
Jun-21	102.3
Jul-21	102
Aug-21	101.7
Sep-21	101.4
Oct-21	101.2
Nov-21	100.9
Dec-21	100.6
Jan-22	100.3
Feb-22	100.1
Mar-22	99.79
Apr-22	99.52

**WellComp: San Juan 29-5 Un 017B (MESAVERDE) - 30.1044.1078.00**  
Rate-Cumulative Decline Analysis



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	0.115	1227.06	75%
PC	0.05	957	25%