

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
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 Accounting
 Well File
 Revised: March 9, 2018

Status
 PRELIMINARY
 FINAL
 REVISED

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

NOV 07 2018

DISTRICT 111

Date: 11/6/2018

API No. 30-045-33144
 DHC No. 4070AZ
 Lease No. State

Well Name
State Gas Com BB

Well No.
4

Unit Letter L	Section 16	Township 31N	Range 12W	Footage 1940' FSL & 1195' FWL
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County, State
**San Juan,
 New Mexico**

Completion Date 11/4/2018	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 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- 8%, MV- 92%

APPROVED BY	DATE	TITLE	PHONE
X <i>Priscilla Shorty</i> Priscilla Shorty	11/6/18	Operations/Regulatory Tech – Sr.	505.324.5188