

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

NMOCD

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

Status
PRELIMINARY
FINAL
REVISED

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

MAR 13 2019

DISTRICT III

Date: 3/11/2019

API No. 30-045-20324
DHC No. 843 AZ
Lease No. State

Well Name
State Com AM

Well No.
37

Unit Letter E	Section 02	Township 30N	Range 08W	Footage 1980' FNL & 790' FWL	County, State San Juan, New Mexico
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Completion Date 2/28/2019	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- 0%, MV- 100%

APPROVED BY	DATE	TITLE	PHONE
X <i>Priscilla Shorty</i> Priscilla Shorty	3/11/19	Operations/Regulatory Tech – Sr.	505.324.5188