

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

NMOCD

Distribution:
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Regulatory
Accounting
Well File

Revised: March 9, 2006

Status
PRELIMINARY
FINAL
REVISED

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

APR 09 2019

DISTRICT III

Date: 02/12/2019

API No. 30-045-32860
DHC No. DHC-4074AZ
Lease No. NMSF078138

Well Name
Federal B

Well No.
#2

Unit Letter I	Section 28	Township T30N	Range R11W	Footage 2200' FSL & 665' FEL	County, State San Juan, New Mexico
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Completion Date 02/04/2019	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 Basin 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. **MV- 75%, DK- 25%**

APPROVED BY	DATE	TITLE	PHONE
	4/8/19	AFM	
X <i>Dave Mankiewicz</i> <i>Cherylene Weston</i>	2-12-19	Operations/Regulatory Tech	505-564-0779
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