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Farmington Field Office  
Bureau of Land Management

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

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

Date: 8/8/2019  
API No. 30-045-23688  
DHC No. 3962AZ  
Lease No. NMSF078460

NMOCD

AUG 23 2019

Well Name  
SAN JUAN 32-7 UNIT

Well No.  
60

DISTRICT III

Unit Letter A	Section 20	Township 32N	Range 07W	Footage 900' FNL & 830' FEL
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County, State  
SAN JUAN,  
New Mexico

Completion Date 7/22/2019	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 	8/8/2019	Operations/Regulatory Tech – Sr.	505.324.5122

ACCEPTED FOR RECORD

AUG 14 2019

NMOCD

FARMINGTON FIELD OFFICE  
BY: 

KP