

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
ELECTRONIC REPORT

AUG 08 2019

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

| | | |
|--|---|--|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | 5. Lease Serial No. 142060462 |
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name UTE MOUNTAIN UTE |
| 2. Name of Operator HILCORP ENERGY COMPANY | | 7. If Unit or CA/Agreement, Name and/or No. |
| Contact: AMANDA WALKER E-Mail: mwalker@hilcorp.com | | 8. Well Name and No. UTE INDIANS A 27 |
| 3a. Address 1111 TRAVIS STREET HOUSTON, TX 77002 | 3b. Phone No. (include area code) Ph: 505-324-5122 | 9. API Well No. 30-045-29863-00-S1 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T31N R14W NESE 2600FSL 1000FEL | | 10. Field and Pool or Exploratory Area UTE DOME |
| | | 11. County or Parish, State SAN JUAN COUNTY, NM |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Please see the Attached Allocation Form.

NMOCD
AUG 22 2019
DISTRICT III

| | |
|---|----------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #477306 verified by the BLM Well Information System For HILCORP ENERGY COMPANY, sent to the Durango Committed to AFMSS for processing by ASHLEY HITCHELL on 08/14/2019 (19ACH0330SE) | |
| Name (Printed/Typed) AMANDA WALKER | Title OPERATIONS REGULATORY TECH |
| Signature (Electronic Submission) | Date 08/08/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|---|-----------------|
| Approved By ACCEPTED | DAN RABINOWITZ Title ACTING MINERALS STAFF CHIEF | Date 08/16/2019 |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | Office Durango |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

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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. 30-045-29863
 DHC No. ~~5005~~
 Lease No. ⁵⁰⁰⁴ 142060462

Well Name
Ute Indians A

Well No.
27

| | | | | | |
|-------------------------|----------------------|------------------------|---------------------|---|--|
| Unit Letter I | Section 02 | Township 31N | Range 14W | Footage 2600' FSL & 1000' FEL | County, State San Juan, New Mexico |
|-------------------------|----------------------|------------------------|---------------------|---|--|

| | |
|-------------------------------------|---|
| Completion Date 6/18/2019 | Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> |
|-------------------------------------|---|

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 **Morrison**. The subtraction method applies an average monthly production forecast to the base formation(s) using historic production and subtracts that from the Estimated Production Curve of the commingled completion. 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%, MOR- 100%**

| APPROVED BY | DATE | TITLE | PHONE |
|------------------------|----------|----------------------------------|--------------|
| X <i>Amanda Walker</i> | 8/8/2019 | Operations/Regulatory Tech – Sr. | 505.324.5122 |
| | | | |
| | | | |
| | | | |

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| Date | Monthly Gas Volume (MMscf) |
|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|--------|----------------------------|
| Mar-19 | 0.699 | Dec-21 | 0.609 | Sep-24 | 0.514 | Jun-27 | 0.448 | Mar-30 | 0.404 | Dec-32 | 0.353 |
| Apr-19 | 0.674 | Jan-22 | 0.607 | Oct-24 | 0.529 | Jul-27 | 0.462 | Apr-30 | 0.39 | Jan-33 | 0.351 |
| May-19 | 0.693 | Feb-22 | 0.546 | Nov-24 | 0.51 | Aug-27 | 0.46 | May-30 | 0.401 | Feb-33 | 0.316 |
| Jun-19 | 0.668 | Mar-22 | 0.602 | Dec-24 | 0.525 | Oct-27 | 0.443 | Jun-30 | 0.386 | Mar-33 | 0.348 |
| Jul-19 | 0.687 | Apr-22 | 0.58 | Jan-25 | 0.522 | Nov-27 | 0.456 | Jul-30 | 0.398 | Apr-33 | 0.336 |
| Aug-19 | 0.684 | May-22 | 0.597 | Feb-25 | 0.47 | Dec-27 | 0.439 | Aug-30 | 0.396 | May-33 | 0.345 |
| Sep-19 | 0.66 | Jun-22 | 0.575 | Mar-25 | 0.518 | Jan-28 | 0.452 | Sep-30 | 0.382 | Jun-33 | 0.333 |
| Oct-19 | 0.679 | Jul-22 | 0.592 | Apr-25 | 0.499 | Feb-28 | 0.45 | Oct-30 | 0.393 | Jul-33 | 0.343 |
| Nov-19 | 0.654 | Aug-22 | 0.589 | May-25 | 0.514 | Mar-28 | 0.419 | Nov-30 | 0.378 | Aug-33 | 0.341 |
| Dec-19 | 0.673 | Sep-22 | 0.568 | Jun-25 | 0.495 | Apr-28 | 0.446 | Dec-30 | 0.389 | Sep-33 | 0.329 |
| Jan-20 | 0.67 | Oct-22 | 0.584 | Jul-25 | 0.51 | May-28 | 0.43 | Jan-31 | 0.388 | Oct-33 | 0.338 |
| Feb-20 | 0.625 | Nov-22 | 0.563 | Aug-25 | 0.508 | Jun-28 | 0.443 | Feb-31 | 0.349 | Nov-33 | 0.326 |
| Mar-20 | 0.665 | Dec-22 | 0.58 | Sep-25 | 0.489 | Jul-28 | 0.427 | Mar-31 | 0.385 | Dec-33 | 0.336 |
| Apr-20 | 0.641 | Jan-23 | 0.577 | Oct-25 | 0.503 | Aug-28 | 0.439 | Apr-31 | 0.371 | Jan-34 | 0.334 |
| May-20 | 0.659 | Feb-23 | 0.519 | Nov-25 | 0.485 | Sep-28 | 0.437 | May-31 | 0.382 | Feb-34 | 0.301 |
| Jun-20 | 0.635 | Mar-23 | 0.573 | Dec-25 | 0.499 | Oct-28 | 0.421 | Jun-31 | 0.368 | Mar-34 | 0.332 |
| Jul-20 | 0.654 | Apr-23 | 0.552 | Jan-26 | 0.497 | Nov-28 | 0.434 | Jul-31 | 0.378 | Apr-34 | 0.319 |
| Aug-20 | 0.651 | May-23 | 0.568 | Feb-26 | 0.447 | Dec-28 | 0.418 | Aug-31 | 0.377 | May-34 | 0.329 |
| Sep-20 | 0.627 | Jun-23 | 0.547 | Mar-26 | 0.493 | Jan-29 | 0.43 | Sep-31 | 0.363 | Jun-34 | 0.317 |
| Oct-20 | 0.646 | Jul-23 | 0.563 | Apr-26 | 0.475 | Feb-29 | 0.428 | Oct-31 | 0.374 | Jul-34 | 0.326 |
| Nov-20 | 0.622 | Aug-23 | 0.561 | May-26 | 0.489 | Mar-29 | 0.385 | Nov-31 | 0.36 | Aug-34 | 0.325 |
| Dec-20 | 0.64 | Sep-23 | 0.54 | Jun-26 | 0.471 | Apr-29 | 0.425 | Dec-31 | 0.371 | Sep-34 | 0.313 |
| Jan-21 | 0.638 | Oct-23 | 0.556 | Jul-26 | 0.485 | May-29 | 0.409 | Jan-32 | 0.369 | Oct-34 | 0.322 |
| Feb-21 | 0.574 | Nov-23 | 0.536 | Aug-26 | 0.483 | Jun-29 | 0.421 | Feb-32 | 0.344 | Nov-34 | 0.31 |
| Mar-21 | 0.633 | Dec-23 | 0.552 | Sep-26 | 0.465 | Jul-29 | 0.406 | Mar-32 | 0.366 | Dec-34 | 0.319 |
| Apr-21 | 0.61 | Jan-24 | 0.549 | Oct-26 | 0.479 | Aug-29 | 0.418 | Apr-32 | 0.353 | Jan-35 | 0.318 |
| May-21 | 0.627 | Feb-24 | 0.512 | Nov-26 | 0.462 | Sep-29 | 0.416 | May-32 | 0.363 | Feb-35 | 0.286 |
| Jun-21 | 0.605 | Mar-24 | 0.545 | Dec-26 | 0.475 | Oct-29 | 0.401 | Jun-32 | 0.35 | Mar-35 | 0.316 |
| Jul-21 | 0.622 | Apr-24 | 0.525 | Jan-27 | 0.473 | Nov-29 | 0.413 | Jul-32 | 0.36 | Apr-35 | 0.304 |
| Aug-21 | 0.619 | May-24 | 0.54 | Feb-27 | 0.426 | Dec-29 | 0.398 | Aug-32 | 0.359 | May-35 | 0.313 |
| Sep-21 | 0.597 | Jun-24 | 0.521 | Mar-27 | 0.469 | Jan-30 | 0.409 | Sep-32 | 0.346 | Jun-35 | 0.302 |
| Oct-21 | 0.614 | Jul-24 | 0.536 | Apr-27 | 0.452 | Feb-30 | 0.408 | Oct-32 | 0.356 | Jul-35 | 0.233 |
| Nov-21 | 0.592 | Aug-24 | 0.533 | May-27 | 0.465 | Mar-30 | 0.367 | Nov-32 | 0.343 | | |

