

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

Date: **9/11/2019**
 API No. **30-039-82362**
 DHC No. **DHC 4859**
 Lease No. **E-290-30**

Well Name
San Juan 27-5 Unit

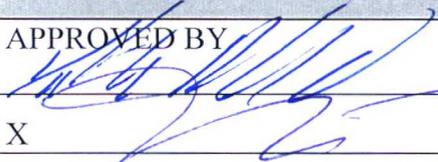
Well No.
#90

Unit Letter G	Section 16	Township T27N	Range R05W	Footage 2375'FNL & 2200'FEL	County, State Rio Arriba, New Mexico
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Completion Date 08/29/2019	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: MV - 44%, DK - 56%

APPROVED BY 	DATE 9/17/19	TITLE GEOLOGIST DISTRICT #3	PHONE 505 334-6178 x114
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Nick Kunze			

NMOCD
SEP 17 2019
DISTRICT III