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Hilcorp Energy Company

Farmington Field Office
Bureau of Land Management

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY
FINAL
REVISED

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

Date: 4/4/2018
API No. 30-039-20842
DHC No. DHC 4010AZ
Lease No. NMSF080505-A
Federal

Well Name
San Juan 28-6 Unit

Well No.
#211

Unit Letter	Section	Township	Range	Footage	County, State
O	08	T28N	R06W	990'FSL & 1750'FEL	Rio Arriba, New Mexico

Completion Date	Test Method
3/15/2018	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 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- 100%, DK- 0%

APPROVED BY	DATE	TITLE	PHONE
<i>William Tambekou</i>	4/9/2018	Petroleum Engineer	
<i>[Signature]</i>		Area Operations Manager	713-209-2449
Nick Kunze			

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APR 12 2018

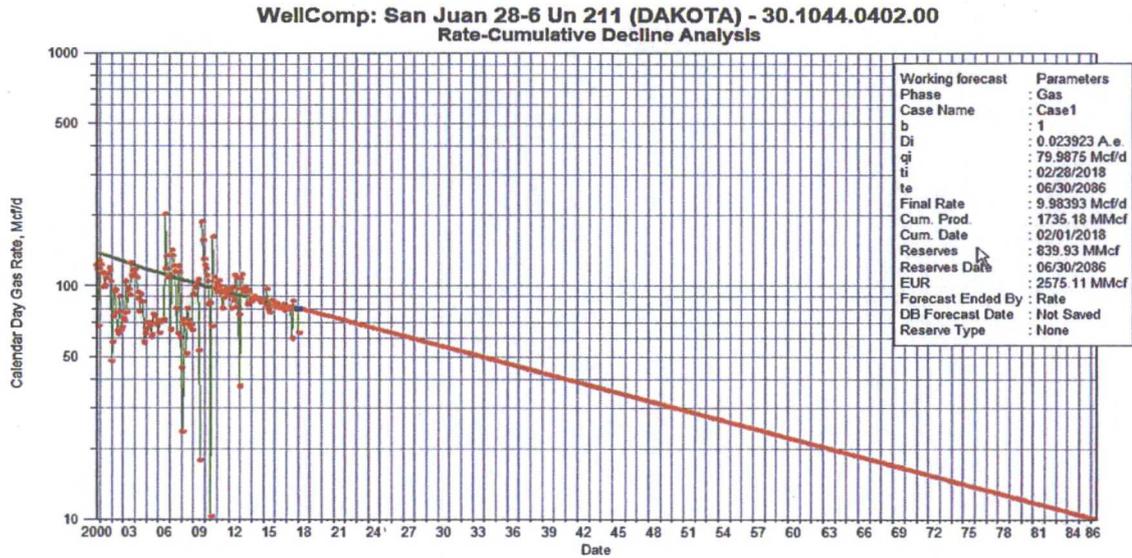
DISTRICT III

2

San Juan 28-6 Unit 211 Subtraction Allocation

Date	Mcfd
Mar-18	79.9
Apr-18	79.72
May-18	79.52
Jun-18	79.32
Jul-18	79.12
Aug-18	78.91
Sep-18	78.71
Oct-18	78.51
Nov-18	78.31
Dec-18	78.11
Jan-19	77.91
Feb-19	77.72
Mar-19	77.53
Apr-19	77.33
May-19	77.14
Jun-19	76.94
Jul-19	76.74
Aug-19	76.55
Sep-19	76.35
Oct-19	76.16
Nov-19	75.96
Dec-19	75.77
Jan-20	75.58
Feb-20	75.39
Mar-20	75.2
Apr-20	75.01
May-20	74.82
Jun-20	74.63
Jul-20	74.44
Aug-20	74.24
Sep-20	74.06
Oct-20	73.87
Nov-20	73.68
Dec-20	73.49
Jan-21	73.3
Feb-21	73.12
Mar-21	72.94
Apr-21	72.76
May-21	72.57
Jun-21	72.39
Jul-21	72.21
Aug-21	72.02
Sep-21	71.84
Oct-21	71.65
Nov-21	71.47
Dec-21	71.29
Jan-22	71.11
Feb-22	70.93

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 using historic production. All production from this well exceeding the forecast will be allocated to the new formation. Oil production will be allocated based on average formation yields from offset wells.



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	0	839.9	0%
MV	2.16	1207	100%