

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

Distribution:  
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Regulatory  
Accounting  
Well File

Revised: March 9, 2006

Status  
PRELIMINARY ☒  
FINAL ☐  
REVISED ☒

Date: **3/27/2018**

API No. **30-039-23601**

DHC No. **DHC-3975-AZ**

Lease No. **B-10037-83**

State

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

Well Name

**San Juan 29-7 Unit**

Well No.

**#31E**

Unit Letter

**A**

Section

**32**

Township

**T029N**

Range

**R07W**

Footage

**800' FNL & 910' FEL**

County, State

**Rio Arriba,  
New Mexico**

Completion Date

**3/10/2018**

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

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- 3%, DK- 97%

APPROVED BY

DATE

TITLE

PHONE

X

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NMOCB

MAY 14 2018

DISTRICT III