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# Hilcorp Energy Company

San Juan Field Office  
Bureau of Land Management

## PRODUCTION ALLOCATION FORM

NMOCD

MAY 18 2018

Status  
PRELIMINARY   
FINAL   
REVISED

Date: 5/9/2018

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

DISTRICT III

API No. 30-039-29334  
DHC No. DHC 3991AZ  
Lease No. NMSF078277  
Federal

Well Name  
San Juan 29-5 Unit

Well No.  
#20C

Unit Letter C	Section 07	Township T29N	Range R05W	Footage 295'FNL & 2120'FWL	County, State Rio Arriba, New Mexico
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Completion Date 4/28/2018	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 Mesaverde and the added formation to be commingled is the Pictured Cliffs. 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- 98%, PC- 2%

APPROVED BY	DATE	TITLE	PHONE
<i>William Tambekou</i>	5/15/2018	Petroleum Engineer	505-564-7746
X <i>[Signature]</i>		Area Operations Manager	713-209-2449
Nick Kunze			

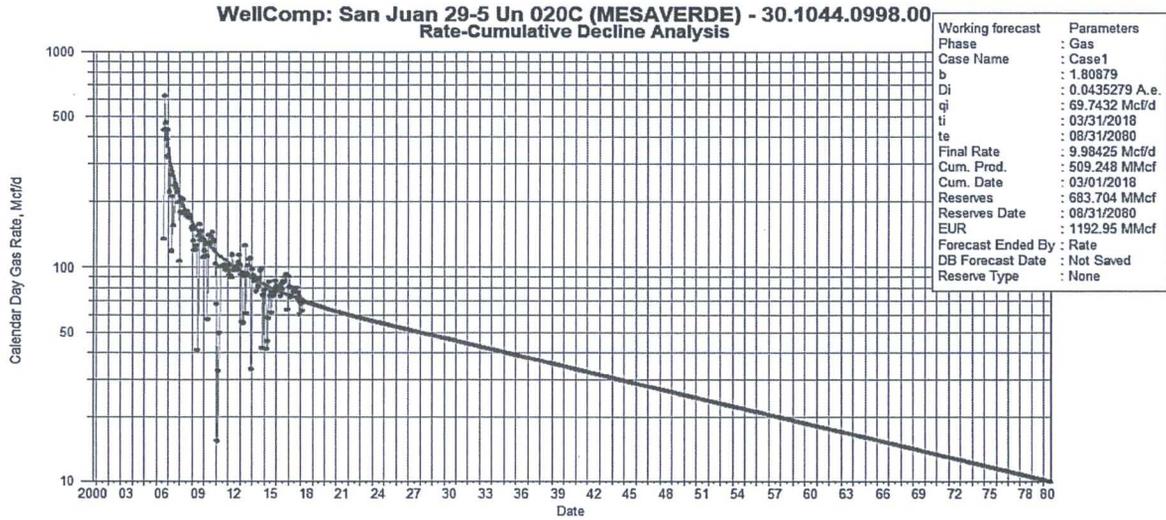
NMOCD

kp

## San Juan 29-5 Unit 20C Subtraction Allocation

Date	Mcf/d
Apr-18	69.61
May-18	69.34
Jun-18	69.08
Jul-18	68.82
Aug-18	68.56
Sep-18	68.3
Oct-18	68.05
Nov-18	67.8
Dec-18	67.55
Jan-19	67.3
Feb-19	67.06
Mar-19	66.83
Apr-19	66.59
May-19	66.36
Jun-19	66.12
Jul-19	65.89
Aug-19	65.66
Sep-19	65.43
Oct-19	65.21
Nov-19	64.99
Dec-19	64.77
Jan-20	64.54
Feb-20	64.33
Mar-20	64.12
Apr-20	63.91
May-20	63.7
Jun-20	63.49
Jul-20	63.28
Aug-20	63.08
Sep-20	62.87
Oct-20	62.67
Nov-20	62.47
Dec-20	62.28
Jan-21	62.08
Feb-21	61.89
Mar-21	61.7
Apr-21	61.51
May-21	61.32
Jun-21	61.14
Jul-21	60.95
Aug-21	60.76
Sep-21	60.58
Oct-21	60.4
Nov-21	60.22
Dec-21	60.04
Jan-22	59.86
Feb-22	59.7
Mar-22	59.53

Base formation is the Mesaverde and the added formation to be commingled is the Pictured Cliffs. 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
MV	2.657	683.7	98%
PC	0.05	802	2%