

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

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Distribution:  
 NMOCD Original  
 BLM 5 Copies  
 Accounting  
 Well File  
 Revised: March 9, 2018

Farmington Field Office  
 Bureau of Land Management

Status  
 PRELIMINARY   
 FINAL   
 REVISED

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

Date: **8/8/2018**  
 API No. **30-039-29351**  
 DHC No. **DHC 4050AZ**  
 Lease No. **NMSF078410**  
 Federal

NMOCD  
 AUG 25 2018

Well Name  
**San Juan 29-5 Unit**

Well No.  
**#4C**

DISTRICT III

Unit Letter <b>F</b>	Section <b>6</b>	Township <b>T29N</b>	Range <b>R05W</b>	Footage <b>2435'FNL &amp; 2315'FWL</b>	County, State <b>Rio Arriba, New Mexico</b>
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Completion Date: **7/10/2018**  
 Test Method: HISTORICAL  FIELD TEST  PROJECTED  OTHER

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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: PC - 8%, MV - 92%

APPROVED BY	DATE	TITLE	PHONE
<i>William Tambekou</i>	<i>8/23/2018</i>	<i>Petroleum Engineer</i>	<i>505-564-7746</i>
X <i>[Signature]</i>		Area Operations Manager	713-209-2449
Nick Kunze			

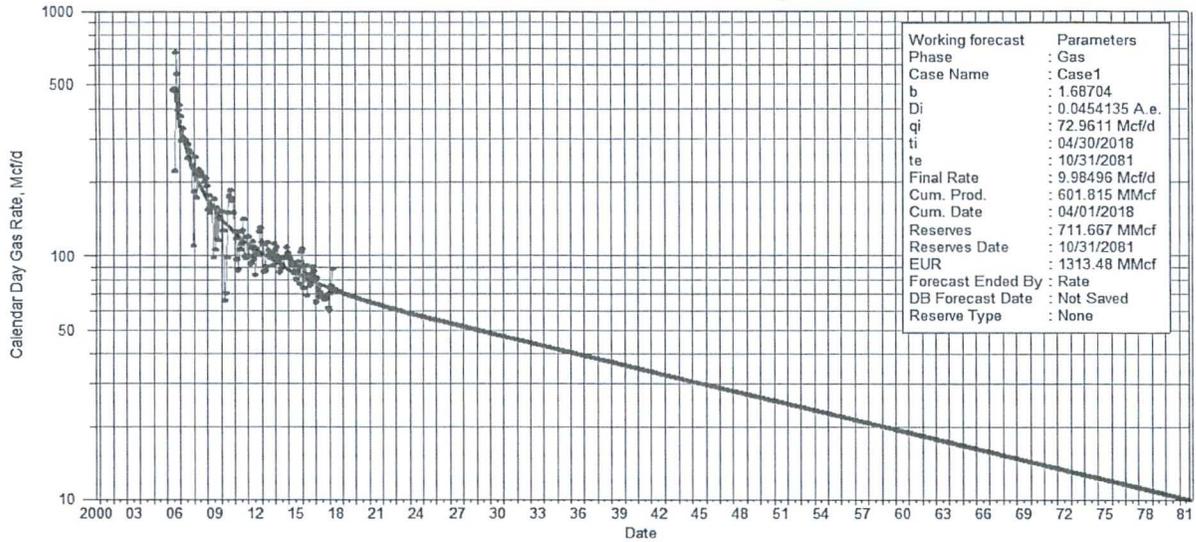
NMOCD

## San Juan 29-5 Unit 4C Subtraction Allocation

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.

Date	Mcf/d
May-18	72.81
Jun-18	72.52
Jul-18	72.23
Aug-18	71.94
Sep-18	71.66
Oct-18	71.38
Nov-18	71.1
Dec-18	70.83
Jan-19	70.56
Feb-19	70.3
Mar-19	70.04
Apr-19	69.78
May-19	69.52
Jun-19	69.26
Jul-19	69.01
Aug-19	68.75
Sep-19	68.5
Oct-19	68.25
Nov-19	68.01
Dec-19	67.76
Jan-20	67.52
Feb-20	67.29
Mar-20	67.05
Apr-20	66.82
May-20	66.59
Jun-20	66.36
Jul-20	66.13
Aug-20	65.9
Sep-20	65.68
Oct-20	65.46
Nov-20	65.24
Dec-20	65.02
Jan-21	64.8
Feb-21	64.6
Mar-21	64.39
Apr-21	64.18
May-21	63.98
Jun-21	63.77
Jul-21	63.57
Aug-21	63.36
Sep-21	63.16
Oct-21	62.96
Nov-21	62.76
Dec-21	62.57
Jan-22	62.37
Feb-22	62.18
Mar-22	62
Apr-22	61.81

**WellComp: San Juan 29-5 Un 004C (MESAVERDE) - 30.1041.0800.00**  
Rate-Cumulative Decline Analysis



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	0.82	711.667	92%
PC	0.05	957	8%