

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

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Accounting  
Well File  
Revised: March 9, 2018

Farmington Office  
Bureau of Land Management

Status  
PRELIMINARY   
FINAL   
REVISED

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

Date: 8/24/2018

API No. 30-045-30417  
DHC No. 4061AZ  
Lease No. NMSF077648  
Federal

Well Name  
**Davis**

Well No.  
**8R**

Unit Letter	Section	Township	Range	Footage
<b>J</b>	<b>11</b>	<b>31N</b>	<b>12W</b>	<b>2270' FSL &amp; 2140' FEL</b>

County, State  
**San Juan,  
New Mexico**

Completion Date	Test Method
<b>8/14/2018</b>	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: DK- 7%, MV- 93%

APPROVED BY	DATE	TITLE	PHONE
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AUG 28 2018

DISTRICT III

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