

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

NMOCD

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

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

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

MAR 13 2019

DISTRICT III

Date: 3/11/2019

API No. 30-045-20324

DHC No. 843 AZ

Lease No. State

Well Name
State Com AM

Well No.
37

Unit Letter	Section	Township	Range	Footage	County, State
E	02	30N	08W	1980' FNL & 790' FWL	San Juan, New Mexico

Completion Date	Test Method
2/28/2019	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- 0%, MV- 100%

APPROVED BY	DATE	TITLE	PHONE
X <i>Priscilla Shorty</i>	3/11/19	Operations/Regulatory Tech – Sr.	505.324.5188
Priscilla Shorty			