

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

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

Date: 11/19/2018
 API No. 30-039-20317
 DHC No. **DHC 4023AZ**
 Lease No. **NMSF079049B**
 Federal

Well Name
San Juan 28-6 Unit

Well No.
#151

Unit Letter G	Section 34	Township T28N	Range R06W	Footage 1650'FNL & 1650'FEL	County, State Rio Arriba, New Mexico
-------------------------	----------------------	-------------------------	----------------------	---	--

Completion Date 11/17/2018	Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>
-----------------------------------	---

KP

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: MV- 100%, DK- 0%

APPROVED BY	DATE	TITLE	PHONE
<i>Joe Hewitt</i>	12-18-18	Geq	564-7740
<i>Nick Kunze</i>		Area Operations Manager	713-209-2449
Nick Kunze			

OPERATOR

NMOCD

APR 17 2019

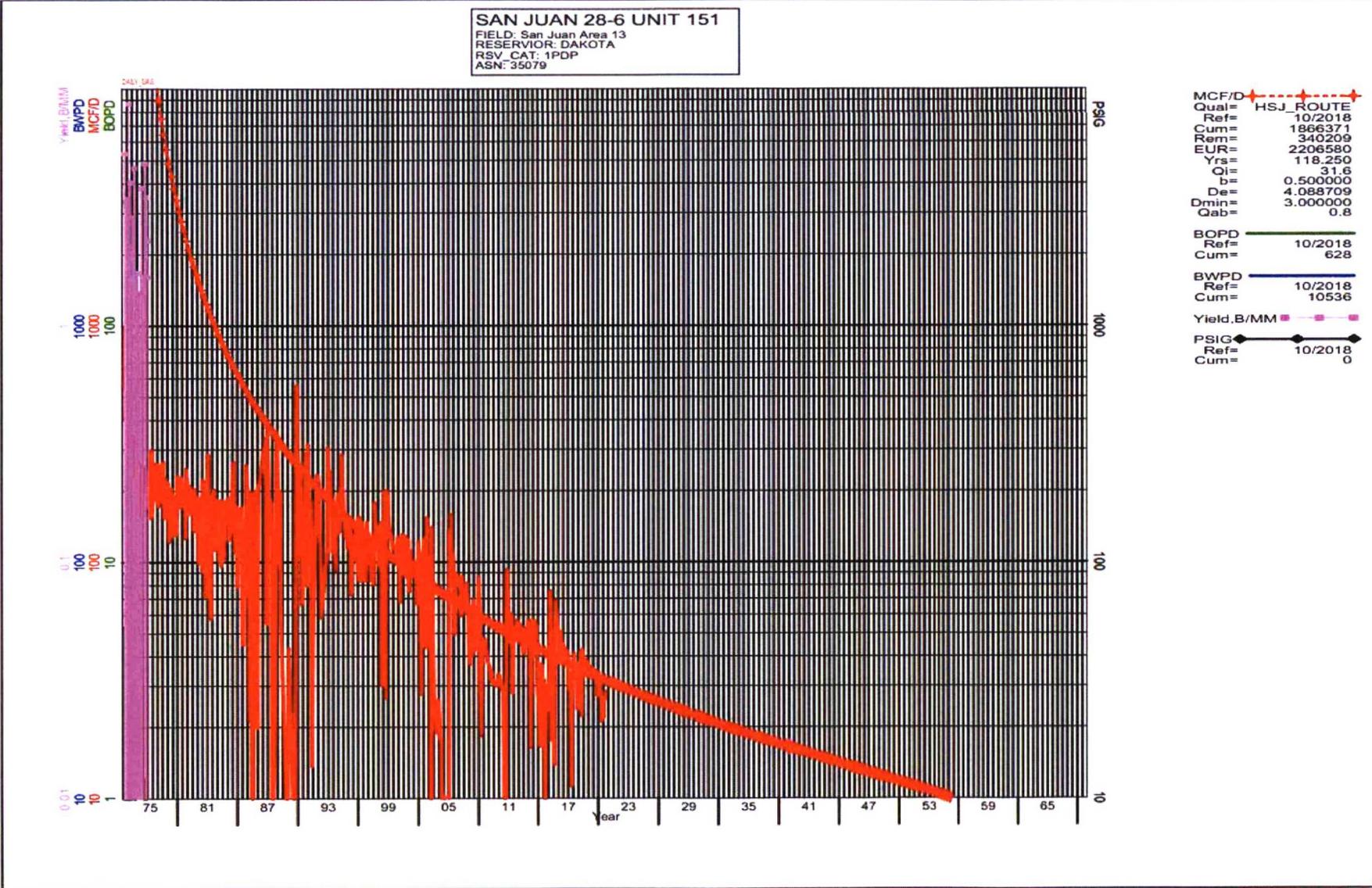
DISTRICT III

2

San Juan 28-6 Unit 151 Subtraction Allocation

Date	Mcfd
Nov-18	31.5
Dec-18	31.3
Jan-19	31.2
Feb-19	31.1
Mar-19	31.0
Apr-19	30.9
May-19	30.8
Jun-19	30.7
Jul-19	30.6
Aug-19	30.5
Sep-19	30.4
Oct-19	30.3
Nov-19	30.2
Dec-19	30.1
Jan-20	30.0
Feb-20	29.9
Mar-20	29.8
Apr-20	29.7
May-20	29.6
Jun-20	29.5
Jul-20	29.4
Aug-20	29.3
Sep-20	29.2
Oct-20	29.1
Nov-20	29.0
Dec-20	28.9
Jan-21	28.8
Feb-21	28.7
Mar-21	28.6
Apr-21	28.5
May-21	28.4
Jun-21	28.3
Jul-21	28.2
Aug-21	28.1
Sep-21	28.0
Oct-21	27.9
Nov-21	27.8
Dec-21	27.7
Jan-22	27.6
Feb-22	27.6
Mar-22	27.5
Apr-22	27.4
May-22	27.3
Jun-22	27.2
Jul-22	27.1
Aug-22	27.0
Sep-22	26.9
Oct-22	26.8

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 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 (MMcfd)	% Oil Allocation
DK	0	340.029	0%
MV	2.63	1515	100%