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Revised: March 9, 2018

Hilcorp Energy Company

Farmington Field Office
Bureau of Land Management

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY
FINAL
REVISED

Commingled Type
SURFACE DOWNHOLE
Type of Completion
NEW DRILL RECOMPLETION PAYADD COMMINGLED
NMOCD

Date: 8/12/2019
API No. 30-039-30518
DHC No. ~~DHC4853~~
Lease No. Federal: ~~4923~~
NMSF079391

Well Name
San Juan 27-5 Unit

AUG 23 2019

Well No.
#126E

| | | | | |
|-------------------------|---------------------|-------------------------|----------------------|--|
| Unit Letter L | Section 7 | Township T27N | Range R05W | Footage 2626'FSL & 185'FWL |
|-------------------------|---------------------|-------------------------|----------------------|--|

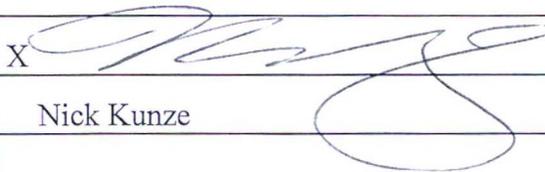
DISTRICT III

County, State
**Rio Arriba,
New Mexico**

| | |
|-------------------------------------|---|
| Completion Date 7/18/2019 | Test Method 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 commingled 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- 86%, DK- 14%

| APPROVED BY | DATE | TITLE | PHONE |
|---|------|-------------------------|--------------|
| X  | | Area Operations Manager | 713-209-2449 |
| Nick Kunze | | | |
| | | | |
| | | | |

ACCEPTED FOR RECORD

AUG 14 2019

NMOCD

FARMINGTON FIELD OFFICE
BY: 

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