

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: 9/9/2019
 API No. 30-039-29335
 DHC No. DHC4999
 Lease No. Federal –
 NMSF078277

Well Name
San Juan 29-5 Unit

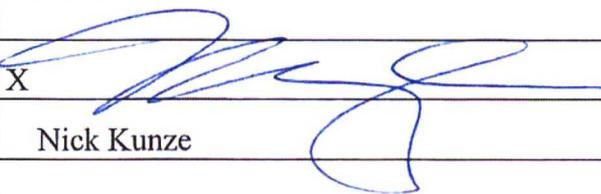
Well No.
#55F

| | | | | | |
|-------------------------|----------------------|-------------------------|----------------------|---|--|
| Unit Letter L | Section 18 | Township T29N | Range R05W | Footage 2460'FSL & 1050'FWL | County, State Rio Arriba, New Mexico |
|-------------------------|----------------------|-------------------------|----------------------|---|--|

| | |
|-----------------------------|---|
| Completion Date 9/4/2019 | 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 commingle be allocated using the subtraction method. The base formation is the Mesaverde & Dakota and the added formation to be tri-mingled 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- 5%, MV- 93%, DK- 2%

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