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Revised: March 9, 2006

Hilcorp Energy Company

Farmington Field Office
Bureau of Land Management

PRODUCTION ALLOCATION FORM

Status
PRELIMINARY ☒
FINAL ☐
REVISED ☐

Date: 3/28/2018

Commingle Type

SURFACE ☐ DOWNHOLE ☒

Type of Completion

NEW DRILL ☐ RECOMPLETION ☒ PAYADD ☐ COMMINGLE ☐

API No. 30-039-26693

DHC No. DHC-401-0

Lease No. NMSF-078496

Federal

Well Name

San Juan 28-7 Unit

Well No.

#190F

Unit Letter

Surface B
BH O

Section

34
27

Township

T028N
T28N

Range

R07W
R07W

Footage

755' FNL & 2145' FEL
265' FSL & 2238' FEL

County, State

Rio Arriba,

New Mexico

Completion Date

3/22/2018

Test Method

HISTORICAL ☐ FIELD TEST ☐ PROJECTED ☐ OTHER ☒

JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method. The base formation is the Basin 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- 94%, DK- 6%

APPROVED BY	DATE	TITLE	PHONE
X Christine Brock	3/29/18	Regulatory/Operations Tech	505-324-5155
Christine Brock			

NMOCD

SEP 27 2019

DISTRICT III

FARMINGTON

ACCEPTED FOR RECORD

SEP 25 2019

FARMINGTON FIELD OFFICE
By: *[Signature]*

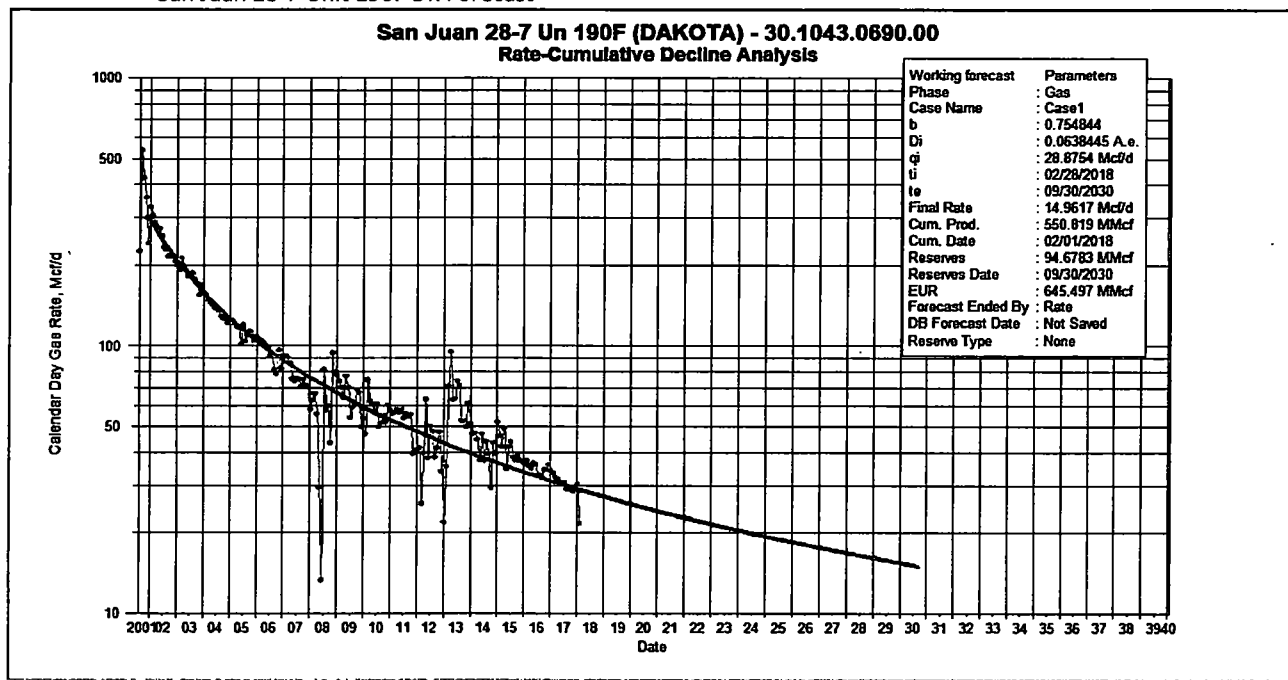
San Juan 28-7 Unit190F Subtraction Allocation

Date	Mcf/d
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3/1/2018	28.79
4/1/2018	28.63
5/1/2018	28.47
6/1/2018	28.31
7/1/2018	28.16
8/1/2018	28
9/1/2018	27.84
10/1/2018	27.69
11/1/2018	27.54
12/1/2018	27.39
1/1/2019	27.24
2/1/2019	27.1
3/1/2019	26.96
4/1/2019	26.82
5/1/2019	26.67
6/1/2019	26.53
7/1/2019	26.39
8/1/2019	26.25
9/1/2019	26.11
10/1/2019	25.98
11/1/2019	25.84
12/1/2019	25.71
1/1/2020	25.57
2/1/2020	25.45
3/1/2020	25.32
4/1/2020	25.19
5/1/2020	25.06
6/1/2020	24.93
7/1/2020	24.81
8/1/2020	24.68
9/1/2020	24.56
10/1/2020	24.44
11/1/2020	24.32
12/1/2020	24.2
1/1/2021	24.07
2/1/2021	23.96
3/1/2021	23.85
4/1/2021	23.73
5/1/2021	23.62
6/1/2021	23.5
7/1/2021	23.39
8/1/2021	23.27
9/1/2021	23.16
10/1/2021	23.05
11/1/2021	22.94
12/1/2021	22.83
1/1/2022	22.73
2/1/2022	22.62
3/1/2022	22.52

Base formation is the Basin 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.

San Juan 28-7 Unit 190F DK Forecast



Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Allocation
DK	2.727116	94.6783	6%
MV	5.06	795	94%