

Hilcorp Energy Company

PRODUCTION ALLOCATION FORM

Distribution:
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 Accounting
 Well File
 Revised: March 9, 2018

Status
 PRELIMINARY
 FINAL
 REVISED

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

Date: 9/11/2019
 API No. **30-039-29333**
 DHC No. **DHC5009**
 Lease No. **Federal - NMSF078282**

Well Name
San Juan 29-5 Unit

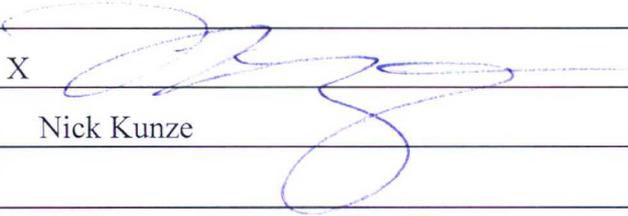
Well No.
#52G
 County, State
**Rio Arriba,
 New Mexico**

Unit Letter B	Section 29	Township T29N	Range R05W	Footage 350'FNL & 1980'FEL
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Completion Date 9/8/2019	Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>
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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- 17%, MV- 80%, DK- 3%

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

NMOCD
SEP 19 2019
DISTRICT III