


<h1 style="text-align: center;">Hilcorp Energy Company</h1> <h2 style="text-align: center;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>	
Commingle Type SURFACE <input type="checkbox"/> DOWNHOLE <input checked="" type="checkbox"/> Type of Completion NEW DRILL <input type="checkbox"/> RECOMPLETION <input checked="" type="checkbox"/> PAYADD <input type="checkbox"/> COMMINGLE <input type="checkbox"/>					Date: 12/21/2022 API No. 30-0455-34025 DHC No. 5057 Lease No. E-3374	
Well Name State Com M					Well No. 10	
Unit Letter L	Section 36	Township 32N	Range 11W	Footage 2110' FSL & 855' FWL	County, State San Juan, New Mexico	
Completion Date 10/4/2022		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
<p>JUSTIFICATION OF ALLOCATION: Hilcorp requests that production for the downhole commingle be allocated using the subtraction method in agreement with local agencies. The base formation is the Mesaverde / Dakota and the added formation to be commingled is the Pictured Cliffs. 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. After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.</p> <p>Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. PC 7%, MV 90%, DK 3% After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.</p>						
NAME		DATE		TITLE		PHONE
Amanda Walker		12/21/2022				
X 				Operations/Regulatory Tech – Sr.		346.237.2177
For Technical Questions: Lea Peters				Reservoir Engineer		346.237.2071

Dean R McClure

12/21/2022

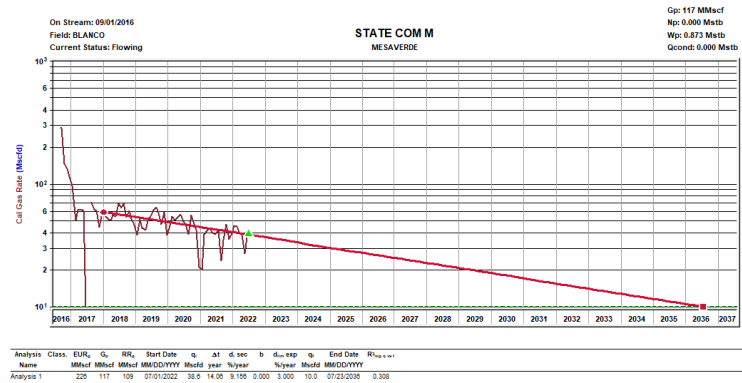
State Com M 10 Subtraction Allocation 3004534025

Date	MV Mcf/d	DK Mcf/d
Oct-22	37.51	34.05
Nov-22	37.22	33.8
Dec-22	36.92	33.55
Jan-23	36.62	33.3
Feb-23	36.34	33.06
Mar-23	36.05	32.82
Apr-23	35.77	32.58
May-23	35.48	32.34
Jun-23	35.2	32.1
Jul-23	34.92	31.86
Aug-23	34.63	31.62
Sep-23	34.36	31.39
Oct-23	34.08	31.15
Nov-23	33.81	30.92
Dec-23	33.54	30.7
Jan-24	33.27	30.46
Feb-24	33.01	30.24
Mar-24	32.75	30.02
Apr-24	32.49	29.8
May-24	32.23	29.58
Jun-24	31.97	29.36
Jul-24	31.71	29.14
Aug-24	31.46	28.92
Sep-24	31.2	28.71
Oct-24	30.96	28.5
Nov-24	30.71	28.29
Dec-24	30.46	28.08
Jan-25	30.22	27.86
Feb-25	29.98	27.66
Mar-25	29.75	27.47
Apr-25	29.51	27.26
May-25	29.28	27.06
Jun-25	29.04	26.86
Jul-25	28.81	26.66
Aug-25	28.58	26.46
Sep-25	28.35	26.27
Oct-25	28.12	26.07
Nov-25	27.9	25.88
Dec-25	27.68	25.69

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the **Mesaverde / Dakota** and the added formation to be commingled is the **Pictured Cliffs**. 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.

After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.

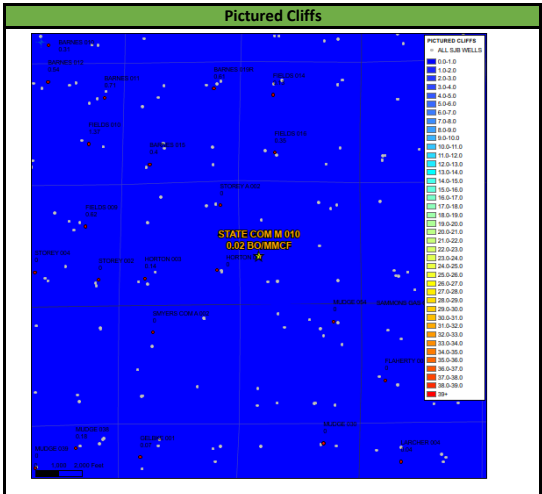
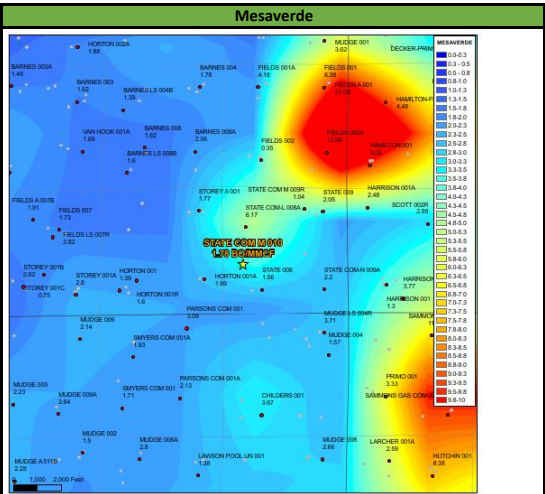
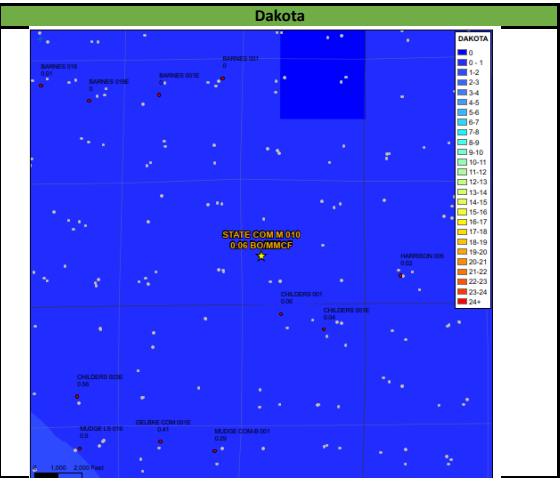
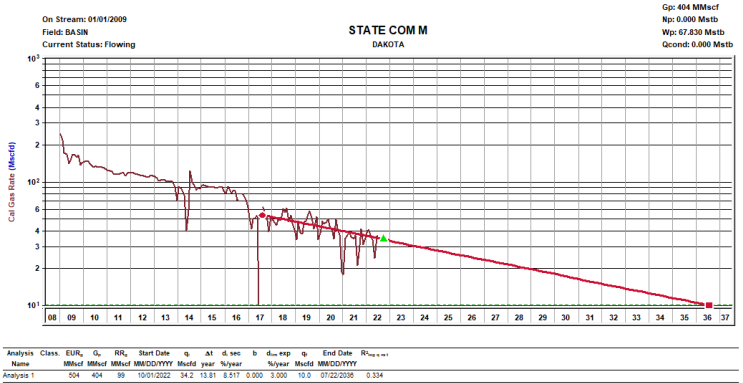


Oil Allocation:

Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
MV	1.78	109	90%
DK	0.06	99	3%
PC	0.02	700	7%



District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 169447

COMMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 169447
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

COMMENTS

Created By	Comment	Comment Date
dmcclure	Approved under Action ID: 169422	12/21/2022

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Created By	Condition	Condition Date
dmcclore	None	12/21/2022