

Area: «TEAM»

<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006		
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"/>					Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input checked="" type="checkbox"/>		
					Date: <b>5/23/22</b>  API No. <b>30-039-23601</b> DHC No. <b>DHC3975AZ</b> Lease No. <b>B-10037-83</b>		
Well Name <b>San Juan 29-7 Unit</b>					Well No. <b>31E</b>		
Unit Letter <b>A</b>	Section <b>32</b>	Township <b>T029N</b>	Range <b>R007W</b>	Footage <b>800' FNL &amp; 910' FEL</b>	County, State <b>Rio Arriba County, New Mexico</b>		
Completion Date		Test Method  HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>					
FORMATION		GAS		PERCENT		CONDENSATE	
<b>MESAVERDE</b>		<b>100 MCFD</b>		<b>83%</b>		<b>93%</b>	
<b>DAKOTA</b>		<b>21 MCFD</b>		<b>17%</b>		<b>7%</b>	
JUSTIFICATION OF ALLOCATION: <b>**REVISED Oil allocation due to miscalculation. Effective Date 5/1/2022. No change to gas allocation.**</b> Hilcorp Energy Company requests that production for the down hole commingle to be switched to a fixed percentage based allocation. The fixed percentage based allocation is calculated from average production rates from twelve months. Oil allocated based on average formation yields in surrounding area and new fixed allocations.							
APPROVED BY <i>Kandis Roland</i>			DATE <b>5/23/22</b>		TITLE Operations/Regulatory Tech		PHONE 713-757-5246
X Kandis Roland							
For Technical Questions: Justin Nall			Reservoir Engineer – Sr.		346-237-2231		

*Dean R. McClure*

06/27/2023

## San Juan 29-7 Unit 31E Fixed Allocation

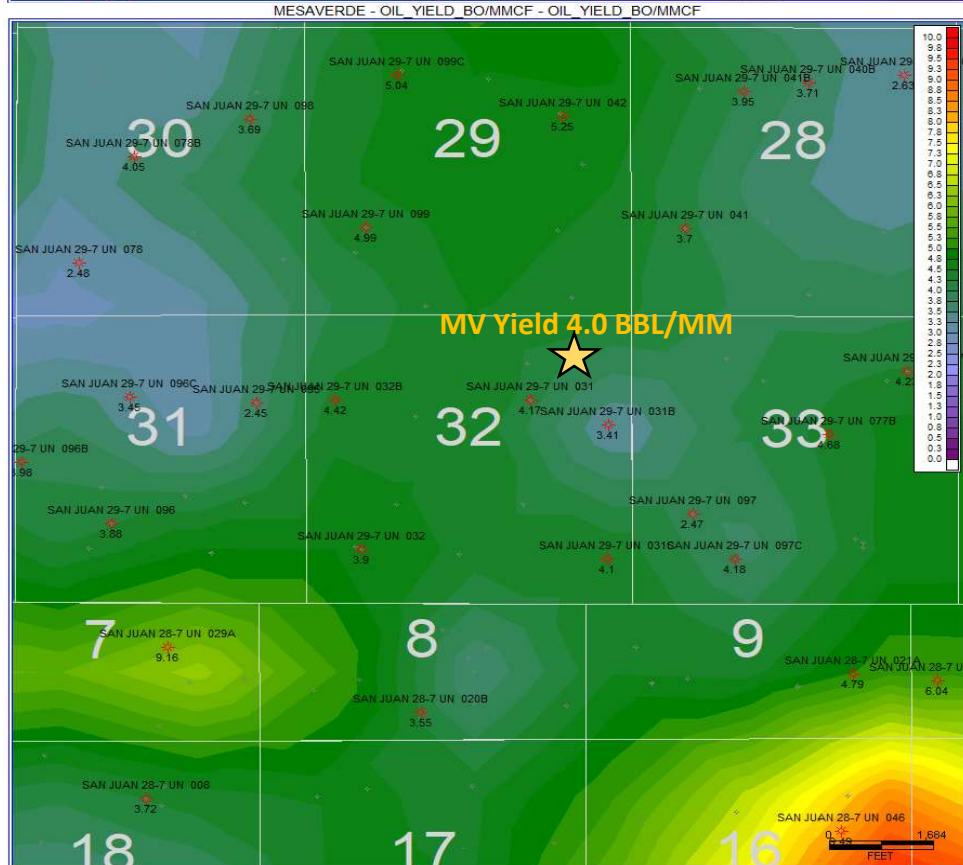
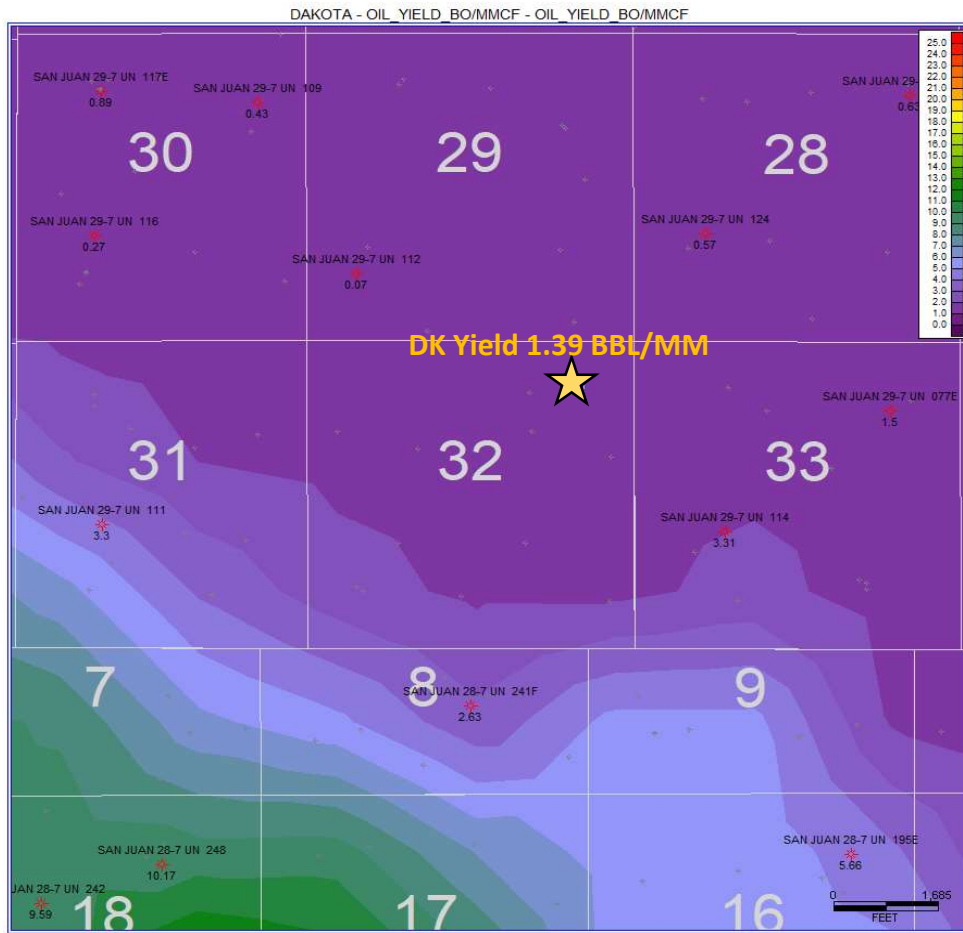
The Mesaverde and the Dakota formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage based allocation.

The new fixed percentage based allocation will be calculated from average production rates from the past twelve months.

Date	Gas Production		
	Dakota	Mesaverde	Total
Jan-21	22.0	116.5	138.5
Feb-21	21.7	102.0	123.7
Mar-21	21.5	109.4	130.9
Apr-21	21.2	98.3	119.5
May-21	21.0	96.5	117.5
Jun-21	20.7	84.5	105.2
Jul-21	20.5	103.2	123.7
Aug-21	20.3	105.7	126.0
Sep-21	20.0	87.9	107.9
Oct-21	19.8	84.5	104.3
Nov-21	19.6	97.4	117.0
Dec-21	19.4	110.4	129.8
Averages	20.6	99.7	120.3
% of Total	17%	83%	

Oil will be reallocated based on the average formation yields in surrounding area and new fixed allocations.

Formation	Yield		Updated Oil Allocation
Dakota	1.39	bbl/mmscf	7%
Mesaverde	4	bbl/mmscf	93%



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

CONDITIONS

Action 109534

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 109534
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	6/27/2023