

<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>						Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019
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 checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>
						Date: 6/25/2024  API No. <b>30-039-26966</b> DHC No. <b>DHC-5391</b> Lease No. <b>E-290-39</b>
Well Name <b>SAN JUAN 28-7 UNIT</b>						Well No. <b>129F</b>
Unit Letter <b>A</b>	Section <b>2</b>	Township <b>027N</b>	Range <b>07W</b>	Footage <b>770' FNL &amp; 545' FEL</b>	County, State <b>RIO ARRIBA, New Mexico</b>	
Completion Date <b>6/12/2024</b>		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 in agreement with local agencies. The base formation is the 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. After 3 years production will stabilize. A production average will be gathered during the 4 <sup>th</sup> year and will be utilized to create a fixed percentage based allocation. <b>(No change from approved DHC)</b>  Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. <b>MV 66%, DK 34%</b> . After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation. <b>(No change from approved DHC)</b>						
NAME		DATE		TITLE		PHONE
X <b>Cherylene Weston</b>						
Cherylene Weston		6/25/2024		Operations/Regulatory Tech – Sr.		713-289-2615
For Technical Questions: Marcus Hill				Reservoir Engineer		346-237-2011

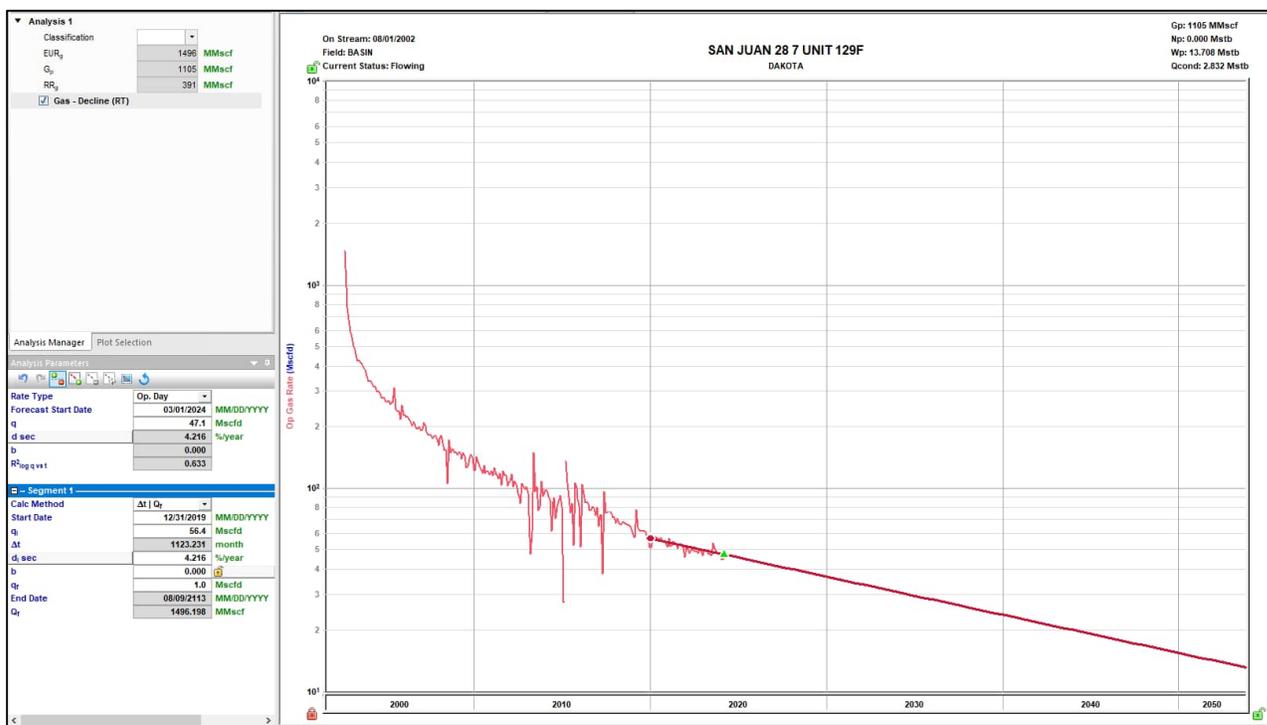
### San Juan 28-7 Unit 129F Subtraction Allocation

	DK
Date	Mcf/d
Jun-24	46.5
Jul-24	46.4
Aug-24	46.2
Sep-24	46
Oct-24	45.9
Nov-24	45.7
Dec-24	45.5
Jan-25	45.4
Feb-25	45.2
Mar-25	45
Apr-25	44.9
May-25	44.7
Jun-25	44.6
Jul-25	44.4
Aug-25	44.2
Sep-25	44.1
Oct-25	43.9
Nov-25	43.8
Dec-25	43.6
Jan-26	43.5
Feb-26	43.3
Mar-26	43.1
Apr-26	43
May-26	42.8
Jun-26	42.7
Jul-26	42.5
Aug-26	42.4
Sep-26	42.2
Oct-26	42.1
Nov-26	41.9
Dec-26	41.8
Jan-27	41.6
Feb-27	41.5
Mar-27	41.3
Apr-27	41.2
May-27	41
Jun-27	40.9
Jul-27	40.7
Aug-27	40.6
Sep-27	40.4
Oct-27	40.3
Nov-27	40.2
Dec-27	40
Jan-28	39.9
Feb-28	39.7
Mar-28	39.6
Apr-28	39.4
May-28	39.3
Jun-28	39.2

#### Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the 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.

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

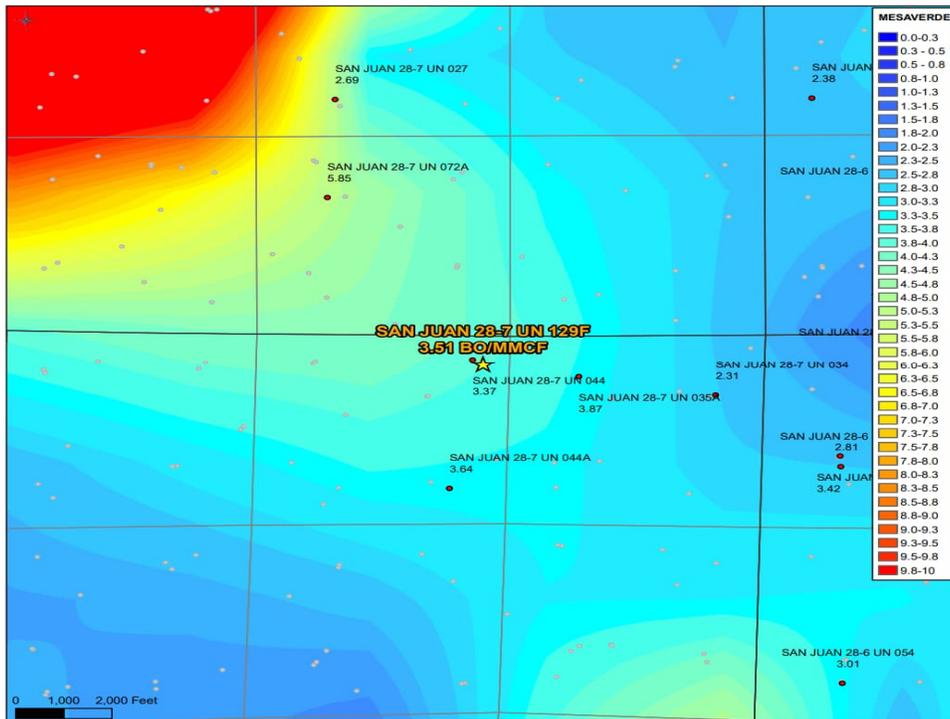
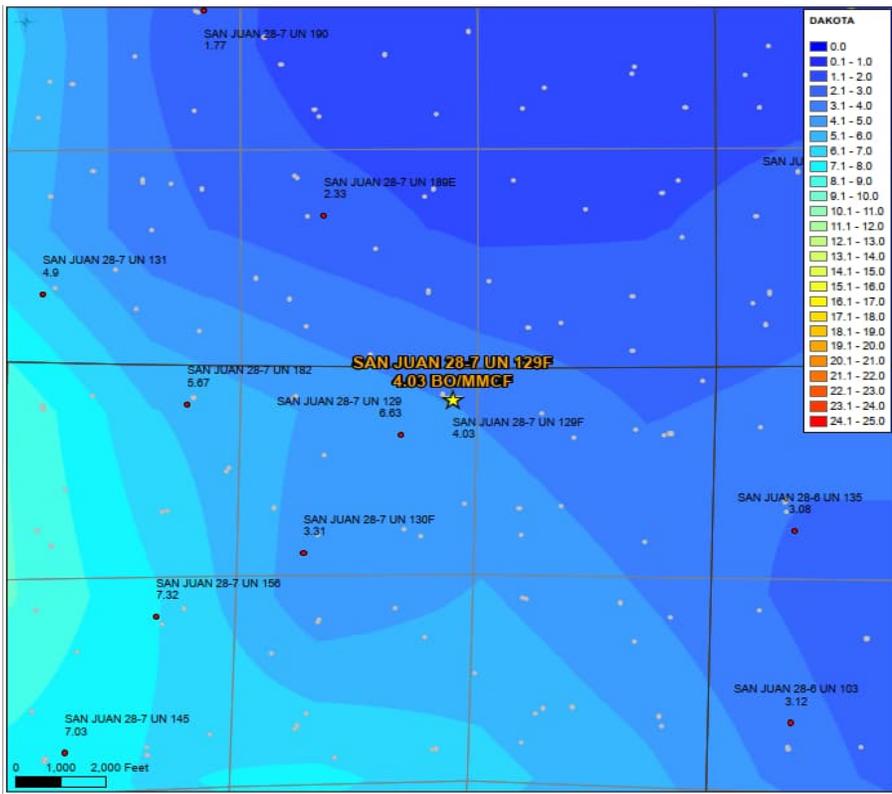


#### Oil Allocation:

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
DK	2.00	391	34%
MV	3.51	436	66%
			100%



**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**

CONDITIONS

Action 357277

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 357277
	Action Type: [C-103] NOI General Sundry (C-103X)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclore	ACCEPTED FOR RECORD ONLY	7/1/2024
dmcclore	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	7/1/2024