

<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: 7/10/2024 API No. 30-039-21225 DHC No. DHC-5389 Lease No. E-289-40	
Well Name SAN JUAN 29-6 UNIT						Well No. 37A	
Unit Letter P	Section 16	Township 029N	Range 006W	Footage 990 FSL & 1100 FEL	County, State RIO ARRIBA, New Mexico		
Completion Date 6/10/2024		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 Mesaverde and the added formation to be commingled is the Fruitland Coal. 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). After 3 years production will stabilize. A production average will be gathered during the 4 th year and will be utilized to create a fixed percentage based allocation. No change from original DHC allocation.							
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 100%, FRC 0%. No change from original DHC allocation. After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.							
NAME		DATE		TITLE		PHONE	
X Cherylene Weston							
Cherylene Weston		7/10/2024		Operations/Regulatory Tech – Sr.		713-289-2615	
For Technical Questions: Marcus Hill				Reservoir Engineer		346-237-201	

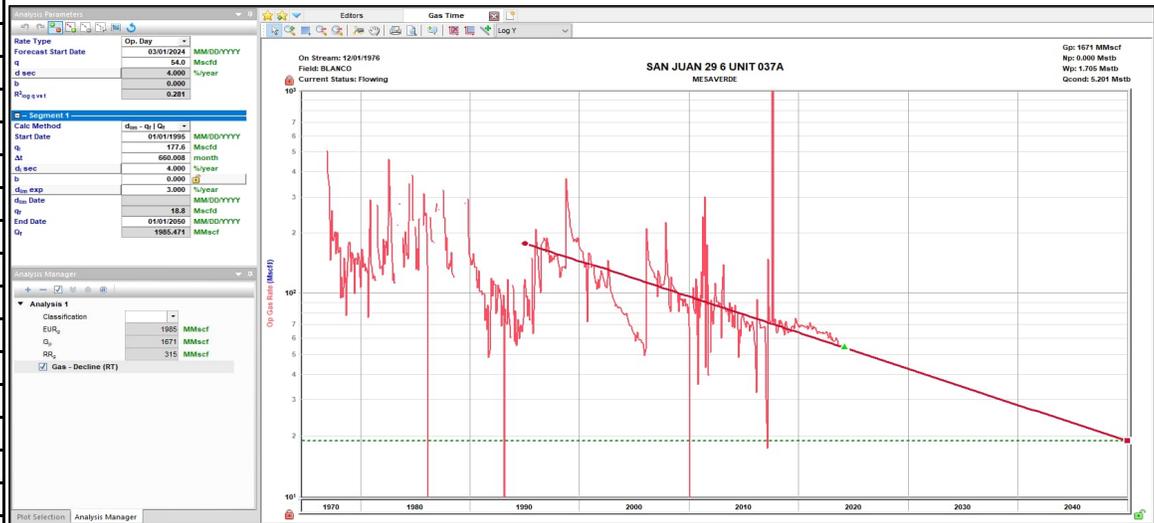
San Juan 29-6 Unit 37A - Production Allocation

Date	MV
Jun-24	53.4
Jul-24	53.2
Aug-24	53
Sep-24	52.8
Oct-24	52.6
Nov-24	52.5
Dec-24	52.3
Jan-25	52.1
Feb-25	51.9
Mar-25	51.8
Apr-25	51.6
May-25	51.4
Jun-25	51.2
Jul-25	51.1
Aug-25	50.9
Sep-25	50.7
Oct-25	50.5
Nov-25	50.4
Dec-25	50.2
Jan-26	50
Feb-26	49.8
Mar-26	49.7
Apr-26	49.5
May-26	49.3
Jun-26	49.2
Jul-26	49
Aug-26	48.8
Sep-26	48.7
Oct-26	48.5
Nov-26	48.3
Dec-26	48.2
Jan-27	48
Feb-27	47.9
Mar-27	47.7
Apr-27	47.5
May-27	47.4
Jun-27	47.2
Jul-27	47.1
Aug-27	46.9
Sep-27	46.7
Oct-27	46.6
Nov-27	46.4
Dec-27	46.3
Jan-28	46.1
Feb-28	45.9
Mar-28	45.8
Apr-28	45.6
May-28	45.5
Jun-28	45.3

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 and the added formation to be commingled is the Fruitland Coal. 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 formations.

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.

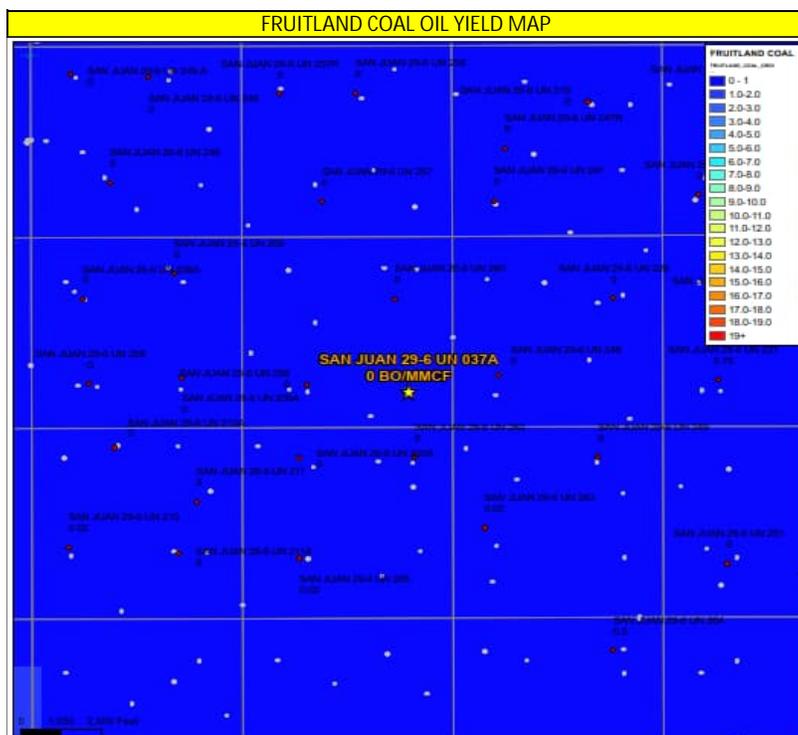
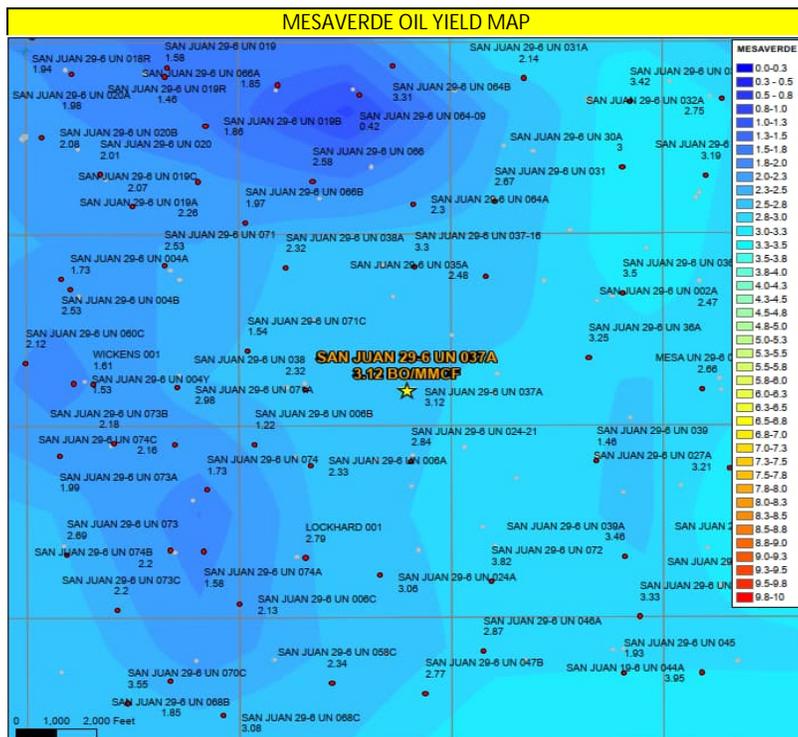


Oil Allocation:

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	3.12	315	100%
FRC	0	1210	0%



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 362856

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 362856
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclore	ACCEPTED FOR RECORD ONLY	7/16/2024
dmcclore	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	7/16/2024