

# Hilcorp Energy Company

## PRODUCTION ALLOCATION FORM

Distribution:  
BLM 4 Copies  
Regulatory  
Accounting  
Well File  
Revised: March 9, 2006

Status  
PRELIMINARY   
FINAL   
REVISED

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

Date: **5/23/2022**  
API No. **30-039-22411**  
DHC No. **DHC3974AZ**  
Lease No. **B-10037-45**

Well Name  
**San Juan 29-7 Unit**

Well No.  
**32E**  
County, State  
**Rio Arriba County,  
New Mexico**

Unit Letter <b>K</b>	Section <b>32</b>	Township <b>T029N</b>	Range <b>R007W</b>	Footage <b>1810' FSL &amp; 1450' FWL</b>
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Completion Date	Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>
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FORMATION	GAS	PERCENT	CONDENSATE	PERCENT
<b>DAKOTA</b>	<b>44 MCFD</b>	<b>34%</b>		<b>20%</b>
<b>MESAVERDE</b>	<b>84 MCFD</b>	<b>66%</b>		<b>80%</b>

JUSTIFICATION OF ALLOCATION: **\*\*REVISED Oil allocation due to miscalculation. Effective Date 3/1/2022. No change to gas allocation.\*\*** 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	DATE	TITLE	PHONE
<i>Kandis Roland</i>			
X Kandis Roland	5/23/22	Operations/Regulatory Tech	713-757-5246
For Technical Questions: Justin Nall		Reservoir Engineer – Sr.	346-237.2231

*Dean R McClure* 06/02/2022

## San Juan 29-7 Unit 32E 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
Oct-20	45.0	95.2	140.2
Nov-20	44.8	96.2	141.0
Dec-20	44.4	85.8	130.2
Jan-21	44.2	85.8	130.0
Feb-21	43.9	85.8	129.7
Mar-21	43.6	82.6	126.2
Apr-21	43.4	75.6	119.0
May-21	43.1	75.9	119.0
Jun-21	42.8	84.2	127.0
Jul-21	42.6	78.8	121.4
Aug-21	42.3	78.5	120.8
Sep-21	42.0	77.7	119.7
Averages	44	84	127
<b>% of Total</b>	<b>34%</b>	<b>66%</b>	

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

Formation	Yield		Updated Oil Allocation
Dakota	1.87	bbl/mmscf	<b>20%</b>
Mesaverde	3.95	bbl/mmscf	<b>80%</b>

