

Well Name: SAN JUAN 28-7 UNIT	Well Location: T27N / R7W / SEC 22 / NESW / 36.55614 / -107.56561	County or Parish/State: RIO ARRIBA / NM
Well Number: 155	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078640	Unit or CA Name: SAN JUAN 28-7 UNIT--DK, SAN JUAN 28-7 UNIT--MV, SAN JUAN 28-7 UNIT--PC	Unit or CA Number: NMNM78413A, NMNM78413B, NMNM78413C
US Well Number: 3003920430	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2673005

Type of Submission: Notice of Intent

Date Sundry Submitted: 05/23/2022

Date proposed operation will begin: 04/01/2022

Type of Action: Commingling (Subsurface)

Time Sundry Submitted: 01:47

Procedure Description: See attached revised production allocation.

DENIED - OCD - Dean McClure

NOI Attachments

Procedure Description

SJ\_28\_7\_Unit\_155\_REVISED\_Preliminary\_Changed\_to\_Fixed\_Allocation\_20220523134724.pdf

Well Name: SAN JUAN 28-7 UNIT	Well Location: T27N / R7W / SEC 22 / NESW / 36.55614 / -107.56561	County or Parish/State: RIO ARRIBA / NM
Well Number: 155	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078640	Unit or CA Name: SAN JUAN 28-7 UNIT--DK, SAN JUAN 28-7 UNIT--MV, SAN JUAN 28-7 UNIT--PC	Unit or CA Number: NMNM78413A, NMNM78413B, NMNM78413C
US Well Number: 3003920430	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: KANDIS ROLAND

Signed on: MAY 23, 2022 01:47 PM

Name: HILCORP ENERGY COMPANY

Title: Operation Regulatory Tech

Street Address: 382 Road 3100

City: Farmington

State: NM

Phone: (505) 599-3400

Email address: kroland@hilcorp.com

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 05/25/2022

Signature: Kenneth Rennick

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>30-039-20430</b> DHC No. <b>DHC2513AZ</b> Lease No. <b>NMSF078640</b>	
Well Name <b>San Juan 28-7 Unit</b>					Well No. <b>155</b>	
Unit Letter <b>K</b>	Section <b>22</b>	Township <b>T027N</b>	Range <b>R007W</b>	Footage <b>1650' FSL &amp; 1650' FWL</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 <b>MESAVERDE</b>		GAS <b>101 MCFD</b>		PERCENT <b>75%</b>	CONDENSATE	PERCENT <b>50%</b>
<b>PICTURED CLIFFS</b>		<b>21 MCFD</b>		<b>15%</b>		<b>0%</b>
<b>DAKOTA</b>		<b>14 MCFD</b>		<b>10%</b>		<b>50%</b>
JUSTIFICATION OF ALLOCATION: <b>**REVISED Oil allocation due to miscalculation. Effective Date 4/1/2022. 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	
X Kandis Roland					PHONE <b>713-757-5246</b>	
For Technical Questions: Justin Nall			Reservoir Engineer – Sr.		346-237.2231	

## San Juan 28-7 Unit 155 Fixed Allocation

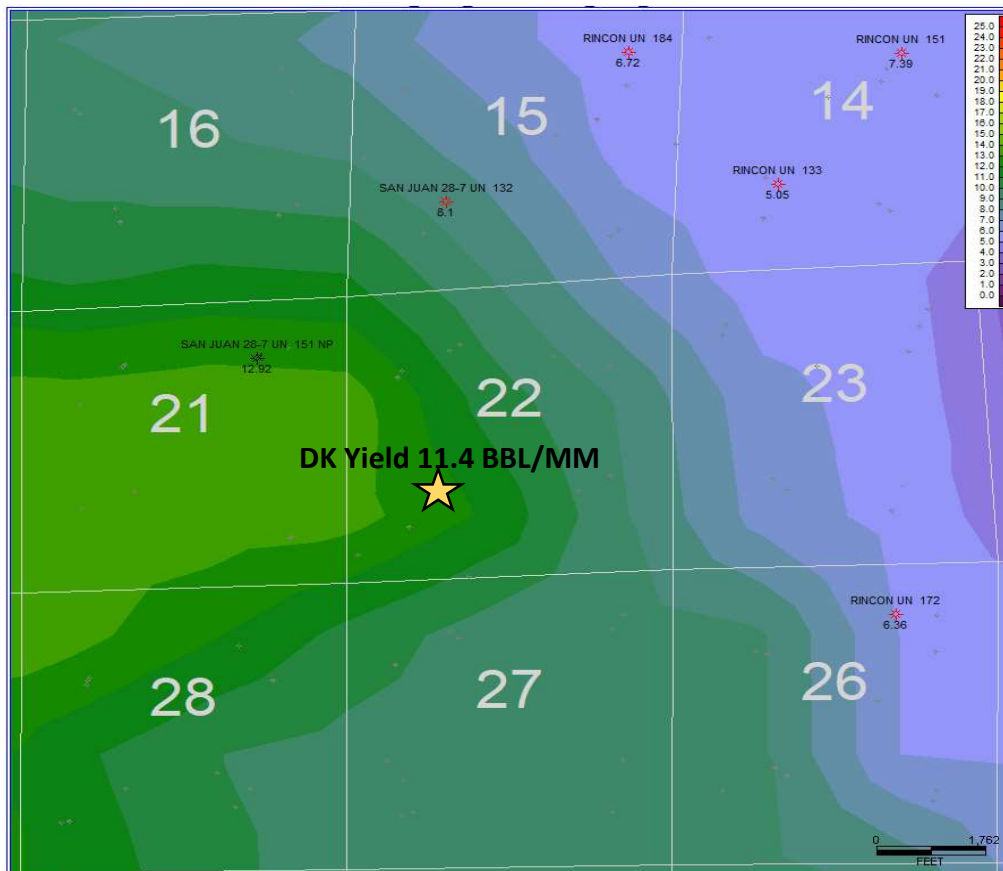
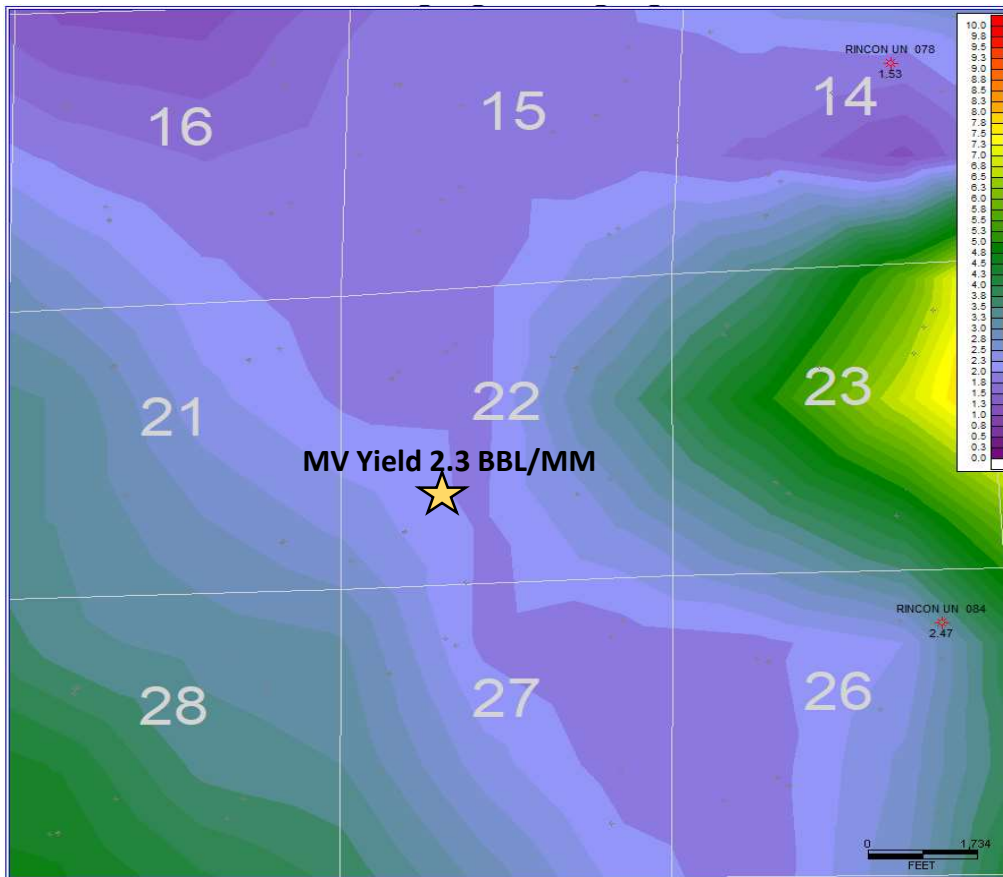
The Mesaverde, Pictured Cliffs and the Dakota formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched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

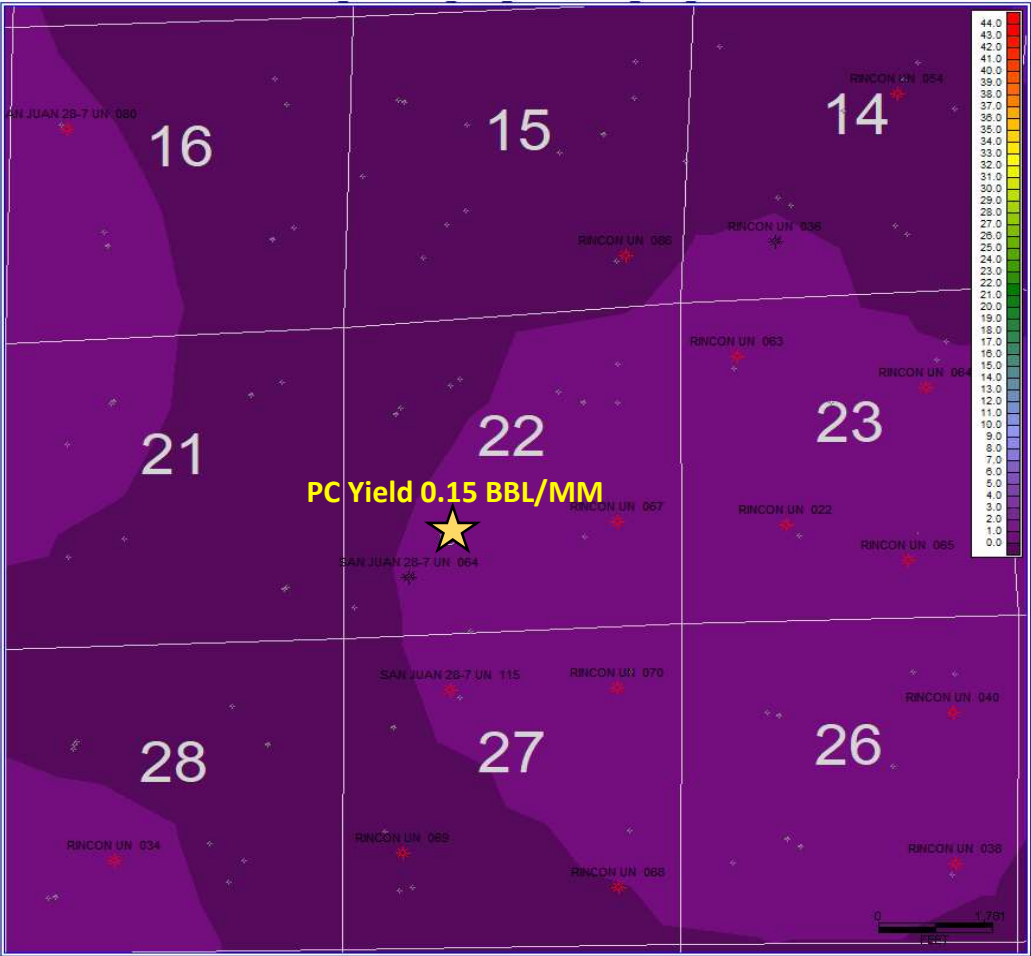
The new fixed percentage based allocation will be calculated from average production rates from the past twelve months.

Date	Gas Production			
	Dakota	Pictured Cliffs	Mesaverde	Total
Jan-21	14.7	21.3	97.8	133.8
Feb-21	14.6	21.1	103.5	139.2
Mar-21	14.5	21.0	100.0	135.5
Apr-21	14.4	20.8	102.4	137.6
May-21	14.3	20.7	107.5	142.5
Jun-21	14.2	20.6	102.4	137.2
Jul-21	14.1	20.4	99.6	134.1
Aug-21	14.0	20.3	97.7	132.0
Sep-21	13.9	20.1	100.7	134.7
Oct-21	13.8	20.0	97.6	131.4
Nov-21	13.7	19.9	100.0	133.6
Dec-21	13.6	19.7	101.2	134.5
Averages	14	21	101	136
% of Total	10%	15%	75%	

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

Formation	Yield		Updated Oil Allocation
Pictured Cliffs	0.15	bbl/mmscf	0%
Dakota	11.4	bbl/mmscf	50%
Mesaverde	2.3	bbl/mmscf	50%





**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 260251

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 260251
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	DENIED under Action ID: 111105	8/30/2023