

<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: 6/20/2022 API No. 30-045-24391 DHC No. 5038 Lease No. NMSF078472	
Well Name San Juan 32-7 Unit						Well No. 63	
Unit Letter G	Section 28	Township 32N	Range 07W	Footage 1795' FNL & 1575' FEL	County, State San Juan, New Mexico		
Completion Date 5/29/2022		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>					
<p>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(s). 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.</p> <p>Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. MV 0%, DK 100%</p> <p>After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.</p>							
NAME		DATE		TITLE		PHONE	
Amanda Walker							
X		06/20/2022		Operations/Regulatory Tech – Sr.		346.237.2177	
For Technical Questions: Rustin Mikeska				Reservoir Engineer		713.289.2931	

10/03/2023

Well Name: SAN JUAN 32-7 UNIT	Well Location: T32N / R7W / SEC 28 / SWNE / 36.9534 / -107.568329	County or Parish/State: SAN JUAN / NM
Well Number: 63	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078472	Unit or CA Name: SAN JUAN 32-7 UNIT--DK	Unit or CA Number: NMNM78423C
US Well Number: 3004524391	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2677837

Type of Submission: Notice of Intent

Date Sundry Submitted: 06/21/2022

Date proposed operation will begin: 05/30/2022

Type of Action: Commingling (Subsurface)

Time Sundry Submitted: 07:18

Procedure Description: Please see the attached Production Allocation

NOI Attachments

Procedure Description

SJ_32_7_Unit_63_Prelim_Sub_Allocation_Form_20220621071812.pdf

Well Name: SAN JUAN 32-7 UNIT	Well Location: T32N / R7W / SEC 28 / SWNE / 36.9534 / -107.568329	County or Parish/State: SAN JUAN / NM
Well Number: 63	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078472	Unit or CA Name: SAN JUAN 32-7 UNIT--DK	Unit or CA Number: NMNM78423C
US Well Number: 3004524391	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: AMANDA WALKER
Signed on: JUN 21, 2022 07:18 AM
Name: HILCORP ENERGY COMPANY
Title: Operations/Regulatory Technician
Street Address: 1111 TRAVIS ST.
City: HOUSTON State: TX
Phone: (346) 237-2177
Email address: mwalker@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: 06/23/2022
Signature: Kenneth Rennick

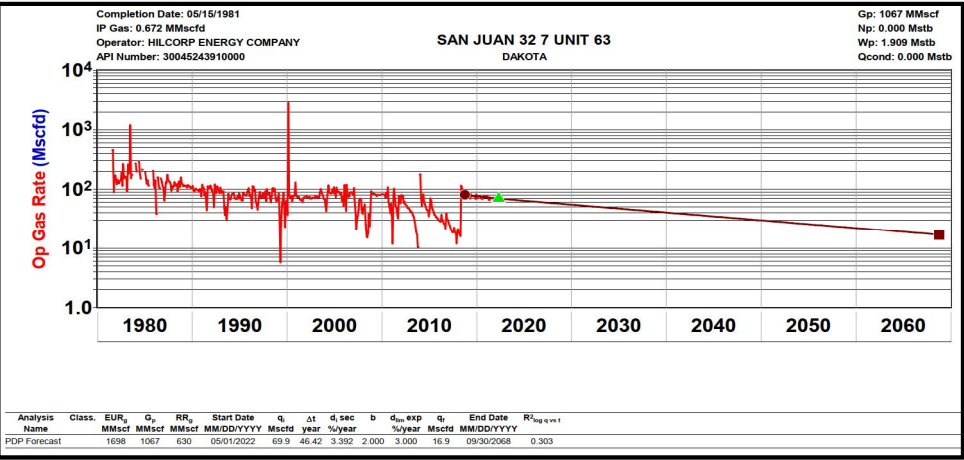
San Juan 32-7 Unit 63 Subtraction Allocation

3004524391

Date	Mcf
May-22	69.8
Jun-22	69.6
Jul-22	69.3
Aug-22	69.1
Sep-22	68.9
Oct-22	68.7
Nov-22	68.5
Dec-22	68.3
Jan-23	68.2
Feb-23	68
Mar-23	67.8
Apr-23	67.6
May-23	67.4
Jun-23	67.2
Jul-23	67
Aug-23	66.8
Sep-23	66.7
Oct-23	66.5
Nov-23	66.3
Dec-23	66.1
Jan-24	65.9
Feb-24	65.8
Mar-24	65.6
Apr-24	65.4
May-24	65.3
Jun-24	65.1
Jul-24	64.9
Aug-24	64.8
Sep-24	64.6
Oct-24	64.4
Nov-24	64.3
Dec-24	64.1
Jan-25	63.9
Feb-25	63.8
Mar-25	63.6
Apr-25	63.5
May-25	63.3
Jun-25	63.1
Jul-25	63
Aug-25	62.8
Sep-25	62.7
Oct-25	62.5
Nov-25	62.3
Dec-25	62.2
Jan-26	62
Feb-26	61.9
Mar-26	61.7
Apr-26	61.6

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.

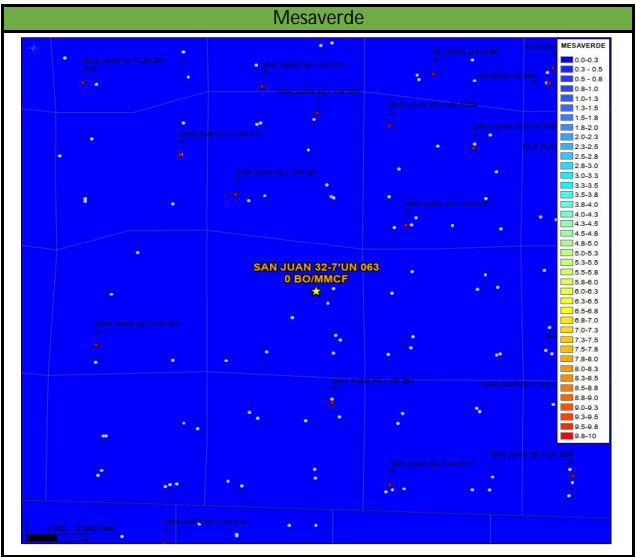
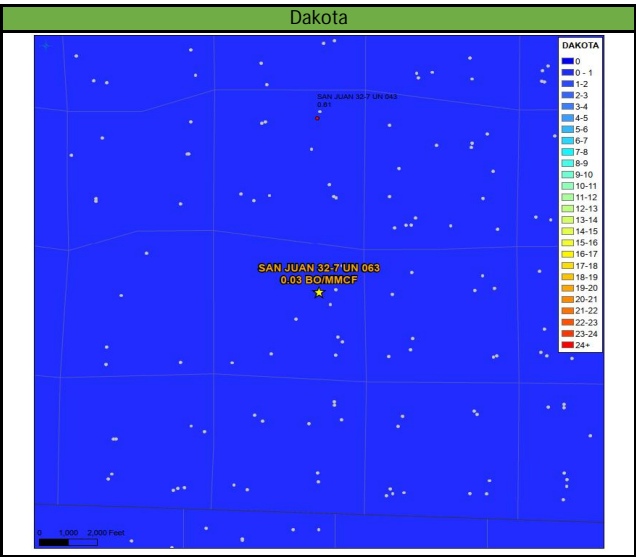
After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.



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
DK	0.03	630	100%
MV	0	1078	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 272069

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 272069
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	10/3/2023