

<h1 style="text-align: center;">Hilcorp Energy Company</h1> <h2 style="text-align: center;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM / NMOCD Original Accounting Well File Revised: September 25, 2019	
					Status PRELIMINARY <input checked="" type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input type="checkbox"/>	
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"/>					Date: <b>9/2/2021</b> API No. <b>30-039-20397</b> DHC No. <b>DHC-4928</b> Lease No. <b>NMSF079050C</b>	
Well Name <b>San Juan 28-6 Unit</b>					Well No. <b>155</b>	
Unit Letter <b>L</b>	Section <b>28</b>	Township <b>28N</b>	Range <b>6W</b>	Footage <b>1550' FSL &amp; 1190' FWL</b>	County, State <b>Rio Arriba, New Mexico</b>	
Completion Date  <b>8/2/2021</b>		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. 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). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast.</p> <p>Oil production will be allocated based on average formation yields from offset wells: DK- 41%, MV- 59%</p>						
NAME		DATE		TITLE		PHONE
X <i>Kandis Roland</i>		9/2/2021		Operations/Regulatory Tech – Sr.		713-757-5246

Well Name: SAN JUAN 28-6 UNIT	Well Location: T28N / R6W / SEC 28 / NWSW / 36.62927 / -107.47684	County or Parish/State: RIO ARRIBA / NM
Well Number: 155	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF079050C	Unit or CA Name: SAN JUAN 28-6 UNIT--DK	Unit or CA Number: NMNM78412C
US Well Number: 3003920397	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2632196

Type of Submission: Notice of Intent	Type of Action: Commingling (Subsurface)
Date Sundry Submitted: 09/02/2021	Time Sundry Submitted: 09:41
Date proposed operation will begin: 08/01/2021	

Procedure Description: See Attached Production Allocations.

NOI Attachments

Procedure Description

SJ\_28\_6\_Unit\_155\_Preliminary\_Subtraction\_Allocation\_20210902094030.pdf

San\_Juan\_28\_6\_Unit\_155\_Production\_Allocation\_Back\_up\_20210902094030.pdf

<b>Well Name:</b> SAN JUAN 28-6 UNIT	<b>Well Location:</b> T28N / R6W / SEC 28 / NWSW / 36.62927 / -107.47684	<b>County or Parish/State:</b> RIO ARRIBA / NM
<b>Well Number:</b> 155	<b>Type of Well:</b> CONVENTIONAL GAS WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMSF079050C	<b>Unit or CA Name:</b> SAN JUAN 28-6 UNIT--DK	<b>Unit or CA Number:</b> NMNM78412C
<b>US Well Number:</b> 3003920397	<b>Well Status:</b> Producing Gas Well	<b>Operator:</b> HILCORP ENERGY COMPANY

Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

<b>Operator Electronic Signature:</b> KANDIS ROLAND	<b>Signed on:</b> SEP 02, 2021 09:40 AM
<b>Name:</b> HILCORP ENERGY COMPANY	
<b>Title:</b> Operation Regulatory Tech	
<b>Street Address:</b> 382 Road 3100	
<b>City:</b> Farmington	<b>State:</b> NM
<b>Phone:</b> (505) 599-3400	
<b>Email address:</b> kroland@hilcorp.com	

Field Representative

<b>Representative Name:</b>		
<b>Street Address:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone:</b>		
<b>Email address:</b>		

BLM Point of Contact

<b>BLM POC Name:</b> KENNETH G RENNICK	<b>BLM POC Title:</b> Petroleum Engineer
<b>BLM POC Phone:</b> 9708783846	<b>BLM POC Email Address:</b> krennick@blm.gov
<b>Disposition:</b> Approved	<b>Disposition Date:</b> 09/10/2021
<b>Signature:</b> Kenneth Rennick	

**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 47574

**CONDITIONS**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 47574
	Action Type: [C-103] NOI General Sundry (C-103X)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	None	11/12/2021