

<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: 9/5/2023 API No. 30-045-24898 DHC No. 5045 Lease No. NMSF078118																
Well Name Hubbard Com						Well No. 2																
Unit Letter N	Section 30	Township 32N	Range 11W	Footage 1115' FSL & 1530' FWL	County, State San Juan, New Mexico																	
Completion Date 8/31/2023		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 will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formation (s) 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(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 100%, DK 0% (No change to Allocation from Approved DHC Application)</p> <p>After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.</p>																						
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">NAME</th> <th style="width: 15%;">DATE</th> <th style="width: 30%;">TITLE</th> <th style="width: 25%;">PHONE</th> </tr> </thead> <tbody> <tr> <td>Amanda Walker</td> <td>9/21/2023</td> <td></td> <td></td> </tr> <tr> <td>X <i>A Walker</i></td> <td></td> <td>Operations/Regulatory Tech – Sr.</td> <td>346.237.2177</td> </tr> <tr> <td colspan="2">For Technical Questions: Shane Smith</td> <td>Reservoir Engineer</td> <td>shane.smith@hilcorp.com</td> </tr> </tbody> </table>							NAME	DATE	TITLE	PHONE	Amanda Walker	9/21/2023			X <i>A Walker</i>		Operations/Regulatory Tech – Sr.	346.237.2177	For Technical Questions: Shane Smith		Reservoir Engineer	shane.smith@hilcorp.com
NAME	DATE	TITLE	PHONE																			
Amanda Walker	9/21/2023																					
X <i>A Walker</i>		Operations/Regulatory Tech – Sr.	346.237.2177																			
For Technical Questions: Shane Smith		Reservoir Engineer	shane.smith@hilcorp.com																			

Dean R Mollure

09/29/2023

Well Name: HUBBARD COM	Well Location: T32N / R11W / SEC 30 / SESW / 36.988342 / -108.086624	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078118	Unit or CA Name: HUBBARD COM	Unit or CA Number: NMNM76175
US Well Number: 3004524898	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2753563

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 09/27/2023

Time Sundry Submitted: 08:50

Date proposed operation will begin: 08/01/2023

Procedure Description: Attached please the Preliminary Subtraction Allocation for the recently recompleted well.

NOI Attachments

Procedure Description

Hubbard_Com_2_Preliminary_Subtraction_Allocation_Form_20230927084955.pdf

Well Name: HUBBARD COM

Well Location: T32N / R11W / SEC 30 / SESW / 36.988342 / -108.086624

County or Parish/State: SAN JUAN / NM

Well Number: 2

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF078118

Unit or CA Name: HUBBARD COM

Unit or CA Number: NMNM76175

US Well Number: 3004524898

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: SEP 27, 2023 08:50 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: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 09/27/2023

Signature: Matthew Kade

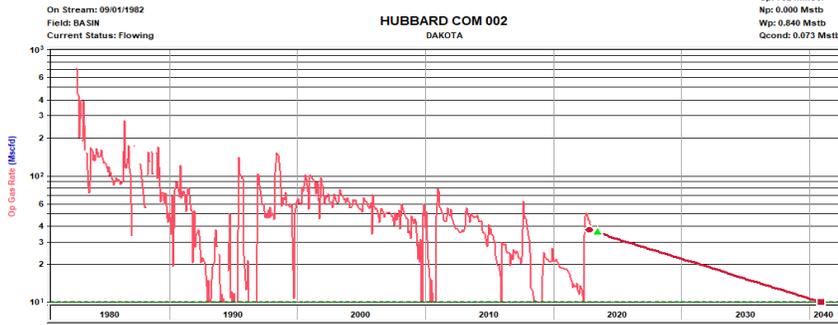
Hubbard Com 2 Subtraction Allocation 3004524898

Date	Mcf/d
Aug-23	34.92
Sep-23	34.71
Oct-23	34.5
Nov-23	34.29
Dec-23	34.08
Jan-24	33.88
Feb-24	33.67
Mar-24	33.47
Apr-24	33.27
May-24	33.07
Jun-24	32.87
Jul-24	32.67
Aug-24	32.47
Sep-24	32.28
Oct-24	32.08
Nov-24	31.89
Dec-24	31.69
Jan-25	31.5
Feb-25	31.32
Mar-25	31.13
Apr-25	30.94
May-25	30.76
Jun-25	30.57
Jul-25	30.39
Aug-25	30.2
Sep-25	30.02
Oct-25	29.84
Nov-25	29.66
Dec-25	29.48
Jan-26	29.3
Feb-26	29.12
Mar-26	28.95
Apr-26	28.78
May-26	28.61
Jun-26	28.43
Jul-26	28.26
Aug-26	28.09
Sep-26	27.92
Oct-26	27.75
Nov-26	27.58
Dec-26	27.42
Jan-27	27.25
Feb-27	27.09
Mar-27	26.93
Apr-27	26.77
May-27	26.6
27-Jun	26.44
27-Jul	26.28

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.



Gp: 782 MMscf
Np: 0.000 Mstb
Wp: 0.840 Mstb
Qcnd: 0.073 Mstb

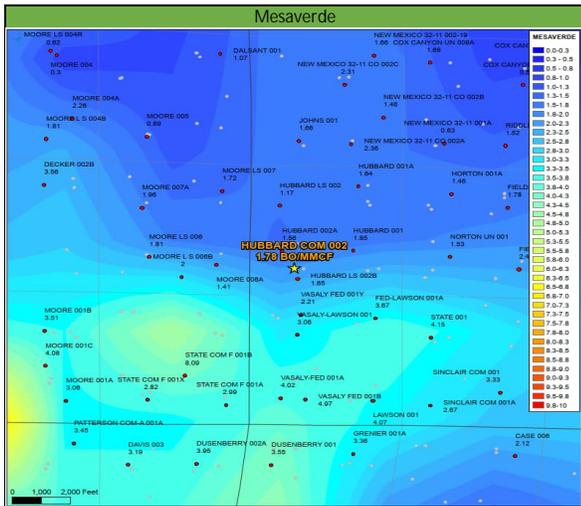
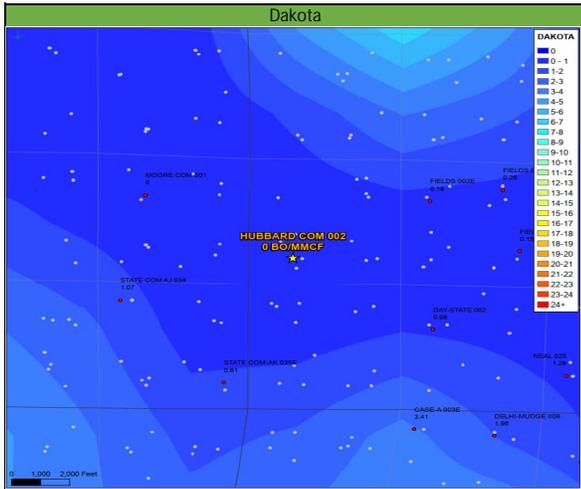
Analysis Class:	EUR:	G:	RR:	Start Date	q:	At	d:	sec	b:	d _{exp} :	q:	End Date
Name	MMscf	MMscf	MM/DD/YYYY	Mscf/d	year	%/year	%/year	MM/DD/YYYY				
Analysis 1	910	782	128	05/01/2023	35.5	17.44	7.300	0.000	4.000	10.0	11/08/2040	

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	0%
MV	1.78	611	100%



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 270185

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 270185
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclore	None	9/29/2023