

Well Name: LINDSEY	Well Location: T30N / R9W / SEC 11 / SESE / 36.821756 / -107.743514	County or Parish/State: SAN JUAN / NM
Well Number: 2B	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078336C	Unit or CA Name: LINDSAY	Unit or CA Number: NMNM73236
US Well Number: 3004531748	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2756782

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 10/17/2023

Time Sundry Submitted: 12:46

Date proposed operation will begin: 09/01/2023

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

NOI Attachments

Procedure Description

Lindsey_2B_Preliminary_Subtraction_Allocation_Form_20231017124614.pdf

Well Name: LINDSEY

Well Location: T30N / R9W / SEC 11 / SESE / 36.821756 / -107.743514

County or Parish/State: SAN JUAN / NM

Well Number: 2B

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF078336C

Unit or CA Name: LINDSAY

Unit or CA Number: NMNM73236

US Well Number: 3004531748

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: OCT 17, 2023 12:46 PM

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: 10/18/2023

Signature: Matthew Kade

<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: 10/17/2023 API No. 30-045-31748 DHC No. 5317 Lease No. NMSF078336C
Well Name Lindsey						Well No. 2B
Unit Letter P	Section 11	Township 30N	Range 09W	Footage 1245' FSL & 660' FEL	County, State San Juan, New Mexico	
Completion Date 9/30/2023		Test Method HISTORICAL <input type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>				
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 Mesaverde and the added formation to be commingled is the Fruitland Coal. 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 4 th year and will be utilized to create a fixed percentage based allocation.						
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years. FC 0%, MV 100% (No Change to Allocation from Approved DHC Application)						
After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.						
NAME Amanda Walker		DATE 10/17/2023		TITLE		PHONE
X 				Operations/Regulatory Tech – Sr.		346-237-2177
For Technical Questions: Shane Smith				Reservoir Engineer		shane.smith@hilcorp.com

Lindsey 2B Subtraction Allocation

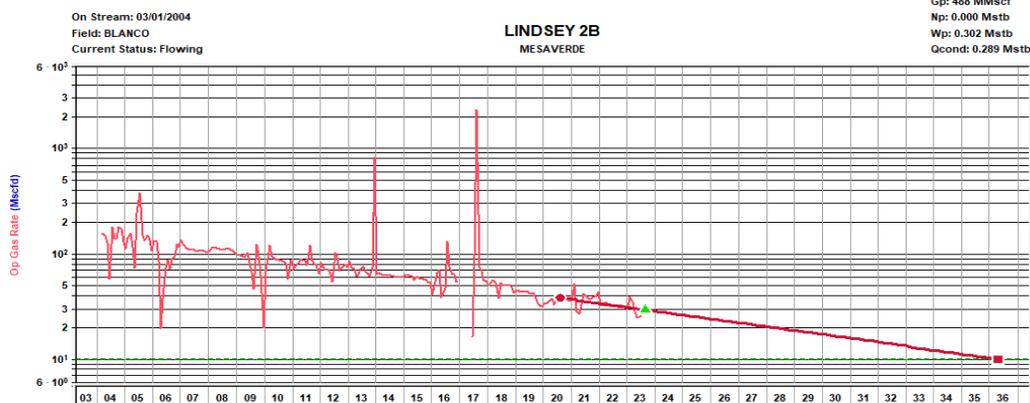
3004531748

Date	Mcf/d
Sep-23	29.33
Oct-23	29.12
Nov-23	28.92
Dec-23	28.71
Jan-24	28.5
Feb-24	28.3
Mar-24	28.11
Apr-24	27.91
May-24	27.71
Jun-24	27.51
Jul-24	27.32
Aug-24	27.12
Sep-24	26.93
Oct-24	26.74
Nov-24	26.55
Dec-24	26.36
Jan-25	26.17
Feb-25	25.99
Mar-25	25.81
Apr-25	25.63
May-25	25.44
Jun-25	25.26
Jul-25	25.08
Aug-25	24.9
Sep-25	24.73
Oct-25	24.55
Nov-25	24.38
Dec-25	24.2
Jan-26	24.03
Feb-26	23.86
Mar-26	23.7
Apr-26	23.53
May-26	23.36
Jun-26	23.2
Jul-26	23.03
Aug-26	22.87
Sep-26	22.7
Oct-26	22.54
Nov-26	22.38
Dec-26	22.22
Jan-27	22.06
Feb-27	21.91
Mar-27	21.76
Apr-27	21.61
May-27	21.45
Jun-27	21.3
Jul-27	21.15
Aug-27	21

Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formation is the **Mesaverde** and the added formation to be commingled is the **Fruitland Coal**. 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.



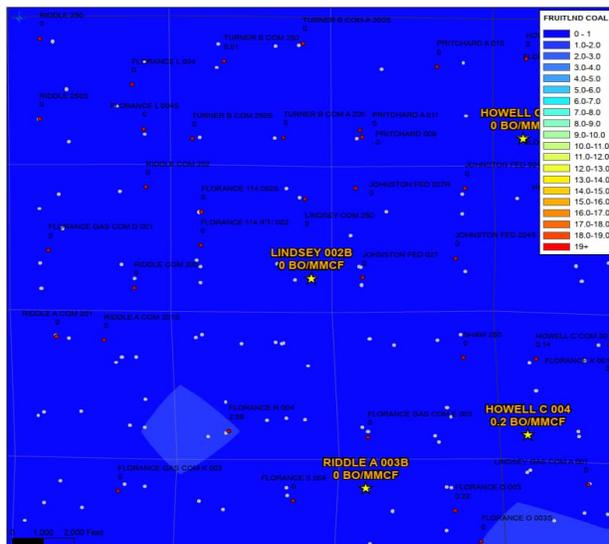
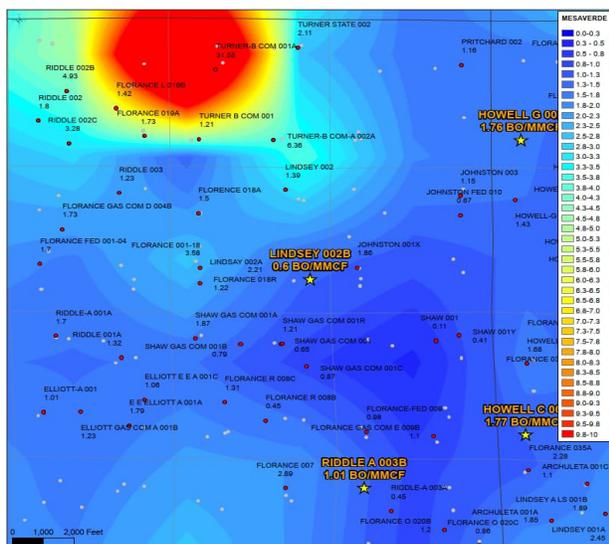
Analysis Name	Class	EUR ₁ MMscf	G _p MMscf	RR ₁ MM/DD/YYYY	Start Date	q ₁ Mscfd	Δt year	d, sec	b	d _{exp} %/year	q _r Mscfd	End Date
Analysis 1		572	488	83	09/01/2023	29.4	12.85	8.182	0.000	4.000	10.0	04/24/2035

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
MV	0.6	85	100%
FRC	0	917	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 277053

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 277053
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	10/20/2023