

Well Name: SAN JUAN 27-5 UNIT	Well Location: T27N / R5W / SEC 18 / NENE / 36.579998 / -107.391906	County or Parish/State: RIO ARRIBA / NM
Well Number: 137F	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF079391	Unit or CA Name: SAN JUAN 27-5 UNIT--DK	Unit or CA Number: NMNM78409A
US Well Number: 3003926627	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2785569

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 04/17/2024

Time Sundry Submitted: 10:16

Date proposed operation will begin: 04/13/2024

Procedure Description: Please see attached preliminary subtraction allocation.

NOI Attachments

Procedure Description

SJ_27_5_Unit_137F_Preliminary_Subtraction_Allocation_20240417101611.pdf

Well Name: SAN JUAN 27-5 UNIT

Well Location: T27N / R5W / SEC 18 /
NENE / 36.579998 / -107.391906

County or Parish/State: RIO
ARRIBA / NM

Well Number: 137F

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

Lease Number: NMSF079391

Unit or CA Name: SAN JUAN 27-5
UNIT--DK

Unit or CA Number:
NMNM78409A

US Well Number: 3003926627

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: CHERYLENE WESTON

Signed on: APR 17, 2024 10:16 AM

Name: HILCORP ENERGY COMPANY

Title: Operations/Regulatory Tech - Sr

Street Address: 1111 TRAVIS STREET

City: HOUSTON

State: TX

Phone: (713) 289-2615

Email address: CWESTON@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: 04/17/2024

Signature: Kenneth Rennick

<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: 4/17/2024 API No. 30-039-26627 DHC No. Pending Lease No. NMSF079391	
Well Name SAN JUAN 27-5 UNIT						Well No. 137F	
Unit Letter A	Section 18	Township 027N	Range 05W	Footage 560' FNL & 305' FEL	County, State RIO ARRIBA, New Mexico		
Completion Date 4/13/2024		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/Mancos. 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. (No change from original DHC 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 43%, MC 51%, DK 6% After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation. (No change from original DHC allocation)</p>							
NAME		DATE		TITLE		PHONE	
X <i>Cherylene Weston</i>							
Cherylene Weston		4/17/2024		Operations/Regulatory Tech – Sr.		713-289-2615	
For Technical Questions: Marcus Hill				Reservoir Engineer		346-237-2011	

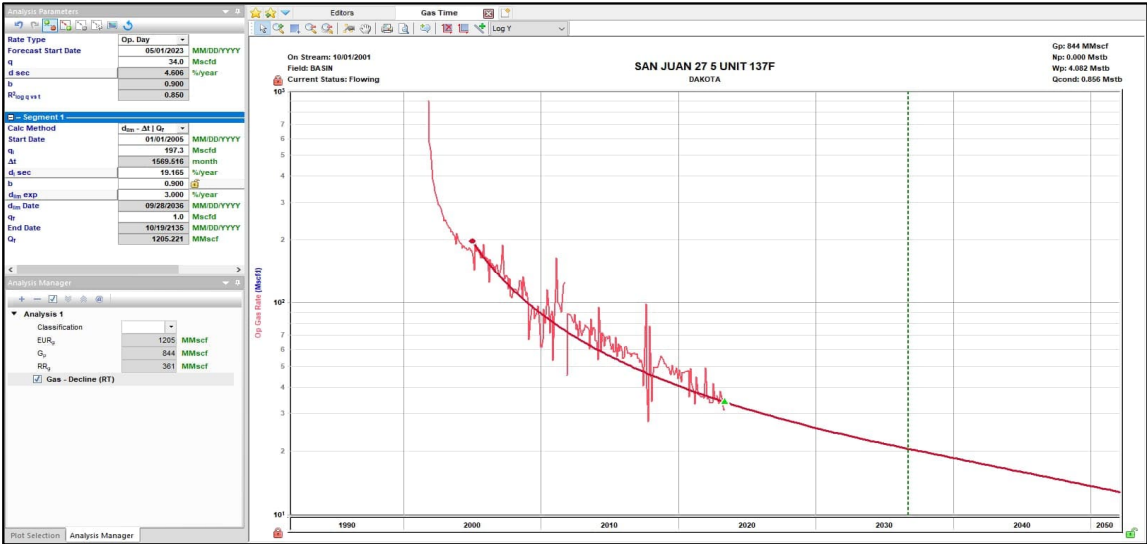
San Juan 27-5 Unit 137F Production Allocation

Date	Mcf/d
Apr-24	32.5
May-24	32.4
Jun-24	32.2
Jul-24	32.1
Aug-24	32
Sep-24	31.9
Oct-24	31.8
Nov-24	31.6
Dec-24	31.5
Jan-25	31.4
Feb-25	31.3
Mar-25	31.2
Apr-25	31.1
May-25	30.9
Jun-25	30.8
Jul-25	30.7
Aug-25	30.6
Sep-25	30.5
Oct-25	30.4
Nov-25	30.3
Dec-25	30.2
Jan-26	30
Feb-26	29.9
Mar-26	29.8
Apr-26	29.7
May-26	29.6
Jun-26	29.5
Jul-26	29.4
Aug-26	29.3
Sep-26	29.2
Oct-26	29.1
Nov-26	29
Dec-26	28.9
Jan-27	28.8
Feb-27	28.7
Mar-27	28.6
Apr-27	28.5
May-27	28.4
Jun-27	28.3
Jul-27	28.2
Aug-27	28.1
Sep-27	28
Oct-27	27.9
Nov-27	27.8
Dec-27	27.7
Jan-28	27.7
Feb-28	27.6
Mar-28	27.5
Apr-28	27.4

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 formations to be commingled is the Mesaverde and Mancos. 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 formations.

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.

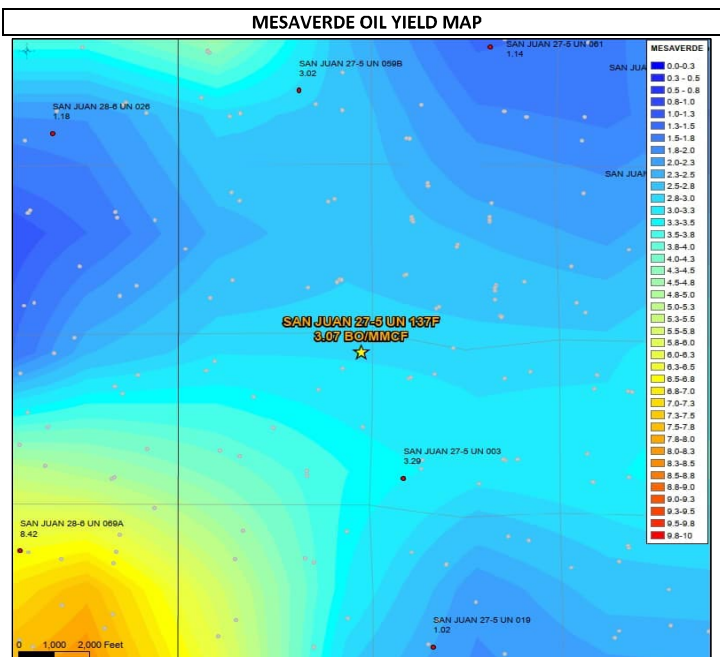
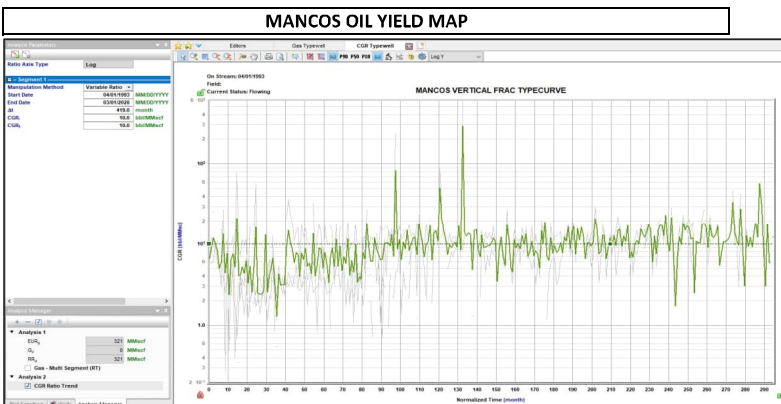
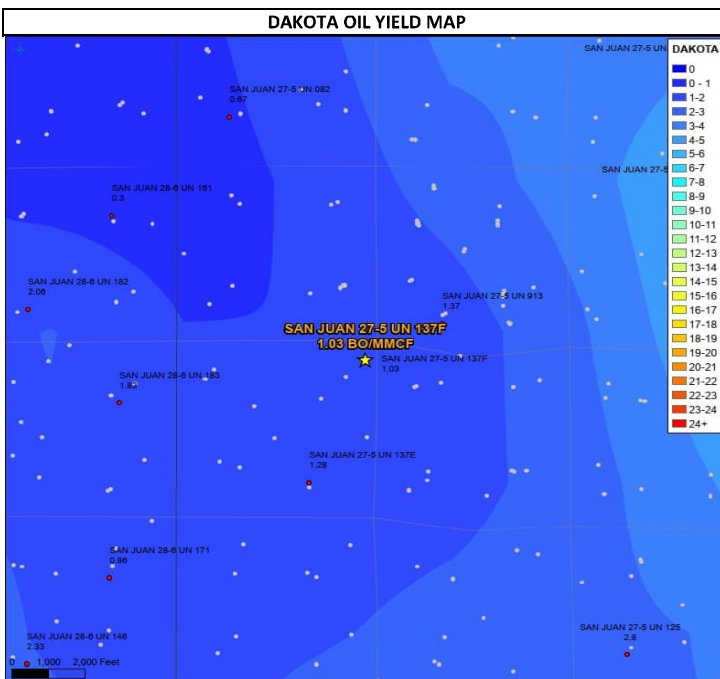


Oil Allocation:

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	1.03	361	6%
MC	10	321	51%
MV	3.07	884	43%



Cheryl Weston

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, April 5, 2024 5:34 PM
To: Cheryl Weston; Mandi Walker
Subject: [EXTERNAL] Application ID: 249051; 30-039-26627 SAN JUAN 27 5 UNIT #137F

CAUTION: External sender. DO NOT open links or attachments from UNKNOWN senders.

Hilcorp is granted verbal approval to proceed with its proposed downhole commingling of pools within the well bore of the 30-039-26627 SAN JUAN 27 5 UNIT #137F as submitted to the Division in the application packet designated as Application ID: 249051.

The following COAs shall be followed provided that once an order is issued by the Division, the COAs included therein shall supersede those included here.

If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.

If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.

If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

The Operator shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools ("fixed percentage allocation plan"). No later than ninety (90) days after the fourth year, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. If the Operator fails to do so, this Permit shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Permit shall terminate on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department

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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 334545

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 334545
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmccclure	ACCEPTED FOR RECORD ONLY	4/22/2024
dmccclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	4/22/2024