

Well Name: LIVELY	Well Location: T28N / R8W / SEC 36 / NWSW / 36.6152 / -107.63745	County or Parish/State: SAN JUAN / NM
Well Number: 12	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMNM015150	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004521199	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2792840

Type of Submission: Notice of Intent

Type of Action: Commingling (Subsurface)

Date Sundry Submitted: 05/29/2024

Time Sundry Submitted: 12:59

Date proposed operation will begin: 05/12/2024

Procedure Description: Please see revised subtraction allocation.

NOI Attachments

Procedure Description

Lively_12_Revised_Subtraction_Allocation_20240529125851.pdf

Well Name: LIVELY

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NWSW / 36.6152 / -107.63745

County or Parish/State: SAN
JUAN / NM

Well Number: 12

Type of Well: CONVENTIONAL GAS
WELL

Allottee or Tribe Name:

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Unit or CA Name:

Unit or CA Number:

US Well Number: 3004521199

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: MAY 29, 2024 12:59 PM

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: MATTHEW H KADE

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647736

BLM POC Email Address: MKADE@BLM.GOV

Disposition: Approved

Disposition Date: 05/29/2024

Signature: Matthew Kade

<div>Hilcorp Energy Company</div> <div>PRODUCTION ALLOCATION FORM</div>					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: 5/29/2024 API No. 30-045-21199 DHC No. DHC-5366 Lease No. NMNM015150	
Well Name LIVELY					Well No. 12	
Unit Letter L	Section 36	Township 028N	Range 008W	Footage 1650 FSL & 990 FWL	County, State SAN JUAN, New Mexico	
Completion Date 5/12/2024		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 Chacra/Dakota and the added formations to be commingled are 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 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. DK 1.3%, MC 51.2%, MV 47.5%, CH 0% (Corrected) After 4 years oil will be reevaluated and adjust as needed based on average formation yields and new fixed gas allocation.						
NAME		DATE		TITLE		PHONE
X Cherylene Weston						
Cherylene Weston		5/29/2024		Operations/Regulatory Tech – Sr.		713-289-2615
For Technical Questions: Marcus Hill				Reservoir Engineer		346-237-2011

Lively 12 - Subtraction Allocation

	DK	Chacra
Date	Mcf/d	Mcf/d
Mar-24	0.592	14.19325
Apr-24	0.588	14.06525
May-24	0.585	13.93842
Jun-24	0.581	13.81272
Jul-24	0.577	13.68816
Aug-24	0.574	13.56271
Sep-24	0.57	13.4404
Oct-24	0.567	13.3192
Nov-24	0.563	13.19908
Dec-24	0.56	13.08006
Jan-25	0.556	12.96018
Feb-25	0.553	12.84711
Mar-25	0.55	12.73505
Apr-25	0.546	12.62021
May-25	0.543	12.5064
Jun-25	0.539	12.39362
Jul-25	0.536	12.28186
Aug-25	0.533	12.16929
Sep-25	0.529	12.05955
Oct-25	0.526	11.9508
Nov-25	0.523	11.84303
Dec-25	0.52	11.73623
Jan-26	0.516	11.62867
Feb-26	0.513	11.52722
Mar-26	0.51	11.42667
Apr-26	0.507	11.32362
May-26	0.504	11.22151
Jun-26	0.501	11.12031
Jul-26	0.498	11.02003
Aug-26	0.494	10.91904
Sep-26	0.491	10.82057
Oct-26	0.488	10.72299
Nov-26	0.485	10.62629
Dec-26	0.482	10.53047
Jan-27	0.479	10.43395
Feb-27	0.476	10.34293
Mar-27	0.473	10.25271
Apr-27	0.471	10.16025
May-27	0.468	10.06863
Jun-27	0.465	9.977827
Jul-27	0.462	9.887851
Aug-27	0.459	9.797228
Sep-27	0.456	9.708876
Oct-27	0.453	9.621325
Nov-27	0.45	9.534559
Dec-27	0.448	9.44858
Jan-28	0.445	9.361984
Feb-28	0.442	9.278933
Mar-28	0.439	9.196626
Apr-28	0.437	9.11369
May-28	0.434	9.031506

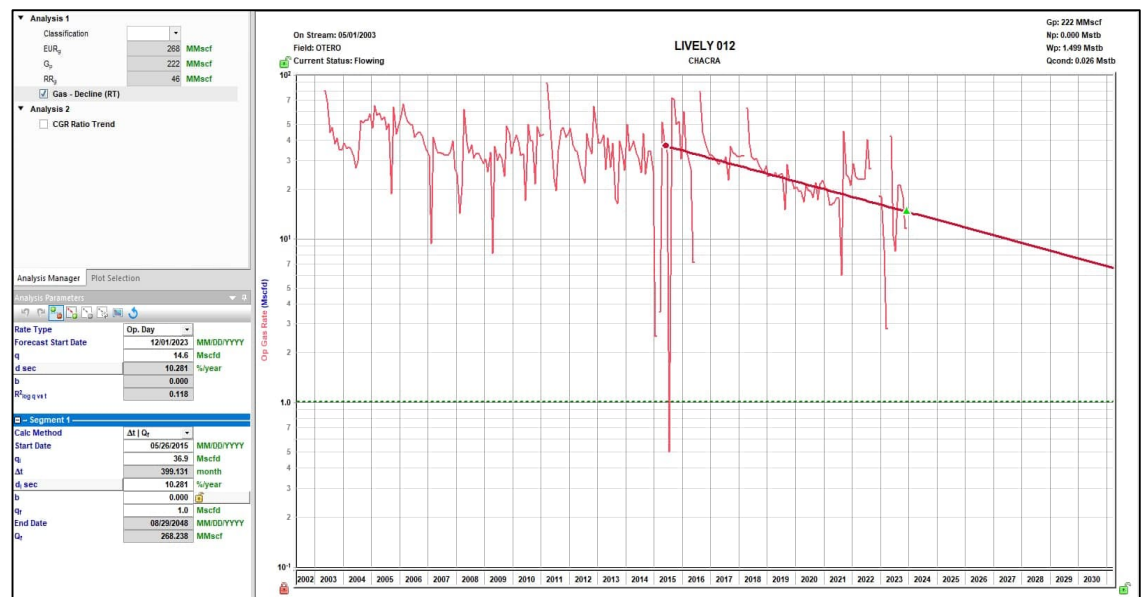
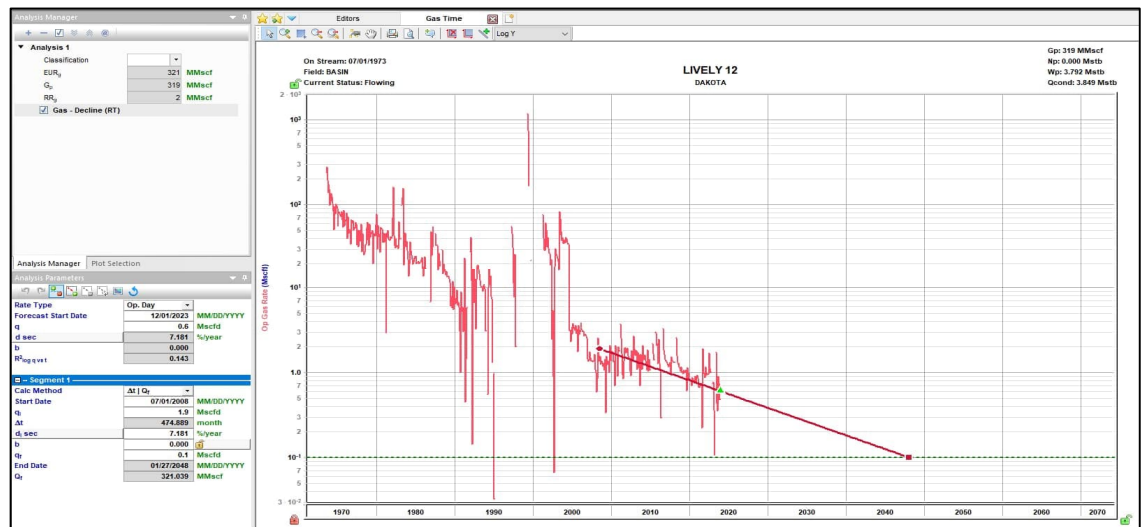
Gas Allocation:

Production for the downhole commingle will be allocated using the subtraction method in agreement with local agencies. The base formations are the Chacra and Dakota and the added formations to be commingled are the Mesaverde/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 formation.

The split between MC and MV is based on the ratio of forecasted reserves as shown below.

Formation	Remaining Reserves (MMcf)	% Gas Allocation
Mancos	321	35%
Mesaverde	607	65%

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.

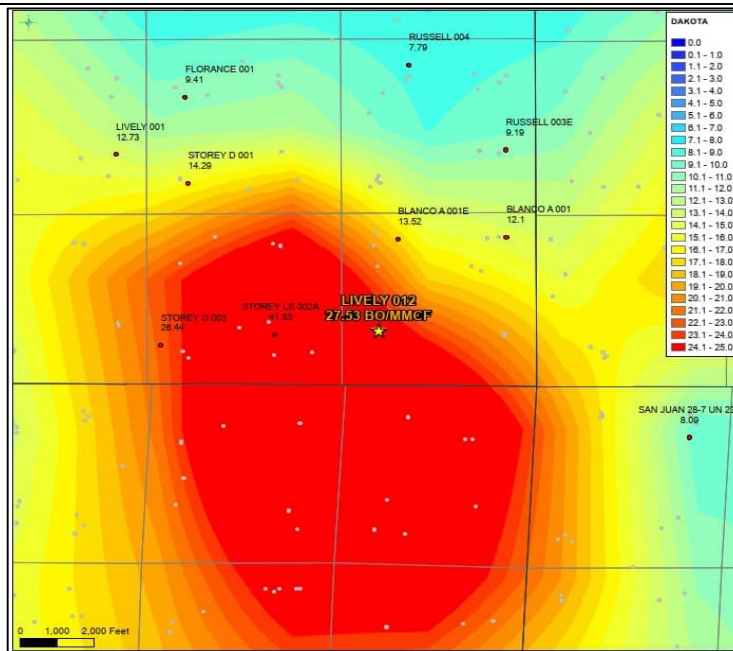
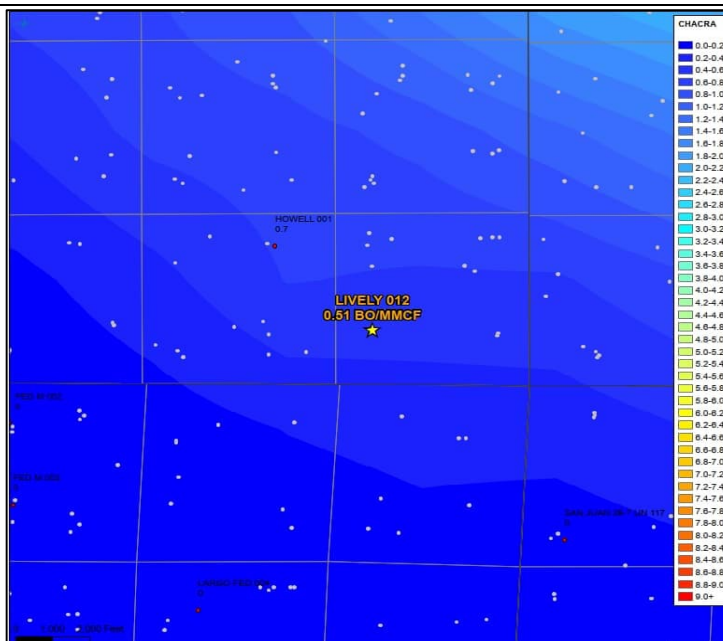


Oil Allocation:

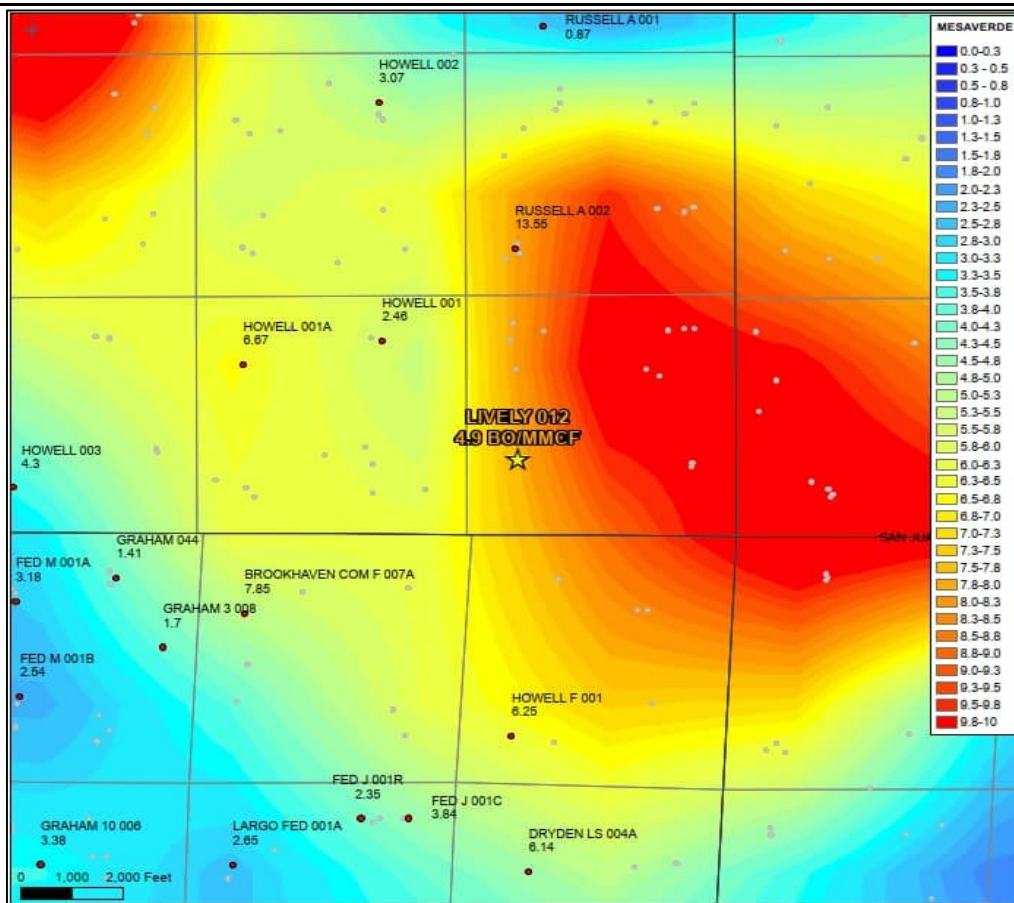
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

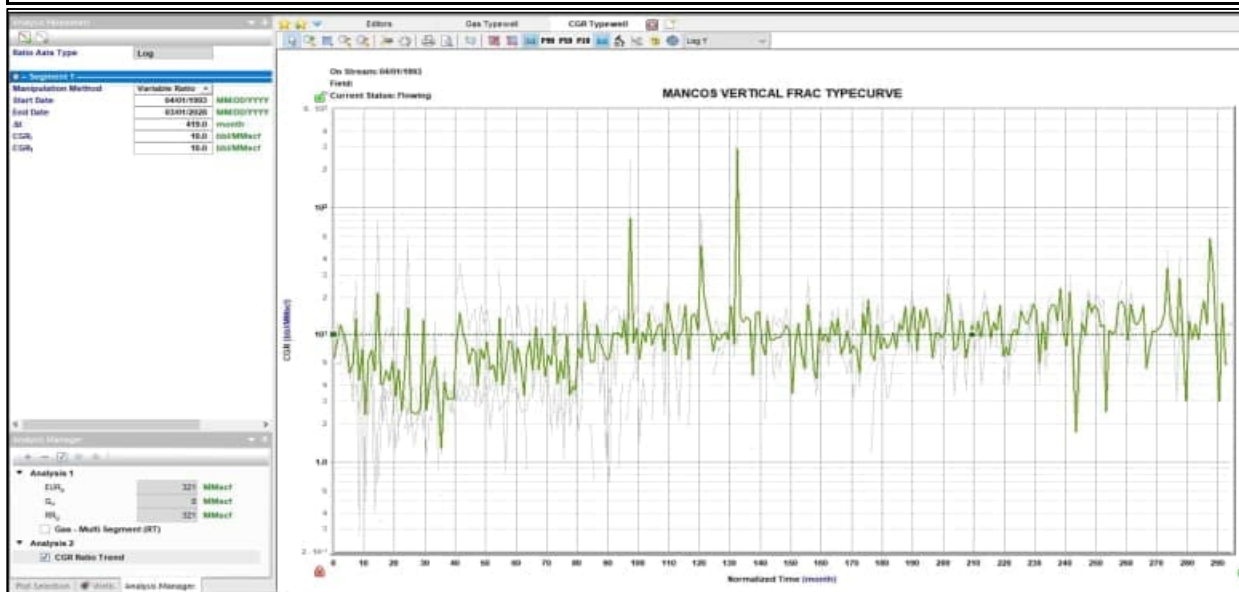
Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Oil Allocation
DK	27.53	2	1.3%
MC	10	321	51.2%
MV	4.9	607	47.5%
Chacra	0	46	0%

DAKOTA OIL YIELD MAP**CHACRA OIL YIELD MAP**

MESAVERDE OIL YIELD MAP



MANCOS OIL YIELD MAP



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 348932

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 348932
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	5/31/2024
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	5/31/2024