

Well Name: MCCLANAHAN	Well Location: T28N / R10W / SEC 14 / SWSE / 36.65738 / -107.86113	County or Parish/State: SAN JUAN / NM
Well Number: 15E	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF079634	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004524108	Operator: HILCORP ENERGY COMPANY	

Notice of Intent

Sundry ID: 2794929

Type of Submission: Notice of Intent	Type of Action: Commingling (Subsurface)
Date Sundry Submitted: 06/12/2024	Time Sundry Submitted: 10:12
Date proposed operation will begin: 06/01/2024	

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

NOI Attachments

Procedure Description

McClanahan_15E_Preliminary_Subtraction_Allocation_Form_20240612101202.pdf

Received by OCD: 6/14/2024 11:46:03 AM

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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: JUN 12, 2024 10:12 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: 06/12/2024
Signature: Matthew Kade	

<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: 6/12/2024 API No. 30-045-24108 DHC No. 5384 Lease No. NMSF079634	
Well Name McClanahan						Well No. 15E	
Unit Letter O	Section 14	Township 28N	Range 10W	Footage 910' FSL & 1650' FEL	County, State San Juan, New Mexico		
Completion Date 6/7/2024		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 Charca/Dakota 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). There will be no change to the Charca/Dakota current fixed allocation. 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. FC 0%, CH 0%, DK 100% (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>							
NAME Amanda Walker		DATE 06/12/2024		TITLE Operations/Regulatory Tech – Sr.		PHONE 346-237-2177	
For Technical Questions: Griffin Selby		Reservoir Engineer		Griffin.Selby@hilcorp.com			

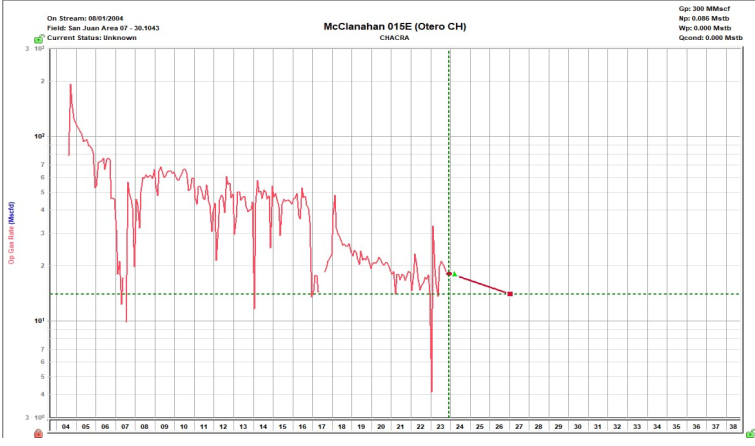
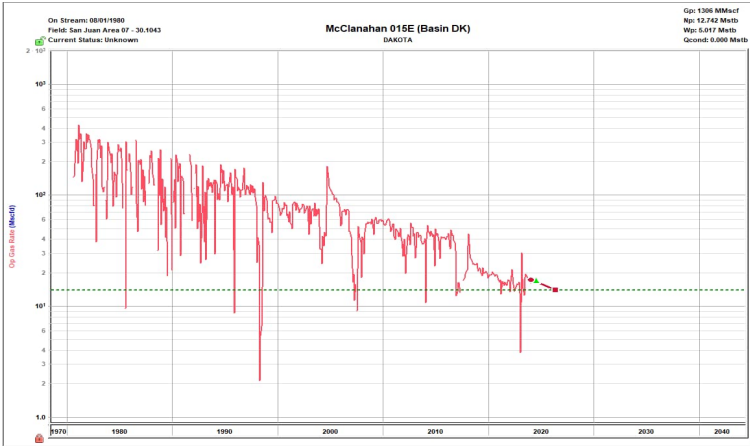
MCCLANAHAN 15E Subtraction Allocation

3004524108

Date	DK- Mcfd	CH - Mcfd
May-24	16.5	17.6
Jun-24	16.4	17.5
Jul-24	16.3	17.4
Aug-24	16.1	17.2
Sep-24	16	17.1
Oct-24	15.9	17
Nov-24	15.8	16.9
Dec-24	15.7	16.8
Jan-25	15.6	16.6
Feb-25	15.4	16.5
Mar-25	15.3	16.4
Apr-25	15.2	16.3
May-25	15.1	16.2
Jun-25	15	16.1
Jul-25	14.9	16
Aug-25	14.7	15.9
Sep-25	14.6	15.8
Oct-25	14.5	15.6
Nov-25	14.4	15.5
Dec-25	14.3	15.4
Jan-26	14.2	15.3
Feb-26	14.1	15.2
Mar-26	14	15.1
Apr-26	13.9	15
May-26	13.8	14.9
Jun-26	13.7	14.8
Jul-26	13.6	14.7
Aug-26	13.5	14.6
Sep-26	13.4	14.5
Oct-26	13.3	14.4
Nov-26	13.2	14.3
Dec-26	13.1	14.2
Jan-27	13	14.1
Feb-27	12.9	14
Mar-27	12.8	13.9
Apr-27	12.7	13.8
May-27	12.6	13.7
Jun-27	12.5	13.6
Jul-27	12.4	13.5
Aug-27	12.3	13.4
Sep-27	12.2	13.3
Oct-27	12.1	13.2
Nov-27	12	13.1
Dec-27	11.9	13
Jan-28	11.8	12.9
Feb-28	11.8	12.8
Mar-28	11.7	12.7
Apr-28	11.7	12.6

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 & CH** 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.

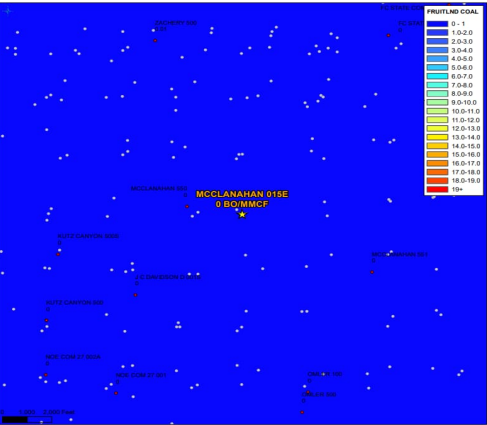
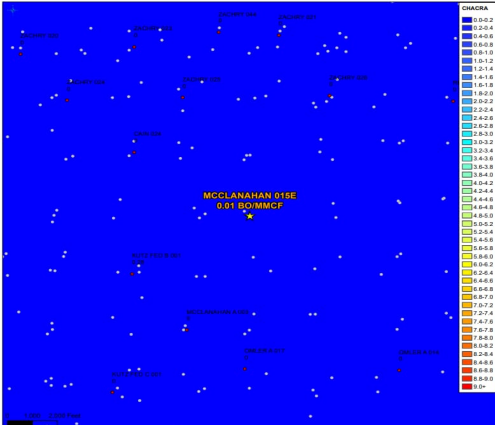
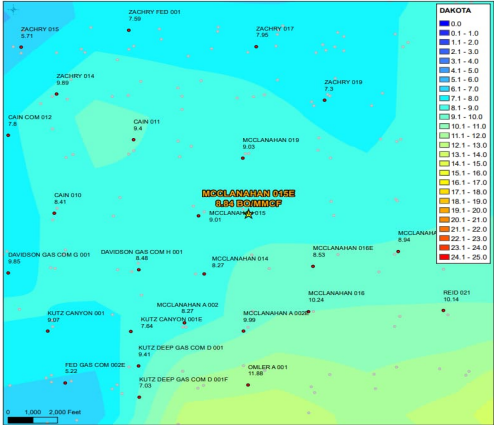
After 3 years production will stabilize. A production average will be gathered during the 4th year and will be utilized to create a fixed percentage based allocation.



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/MMcf)	Remaining Reserves (MMcf)	% Oil Allocation
DK	8.84	15	100%
CH	0.01	22	0%
FC	0	1631	0%
			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 354277

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 354277
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	6/17/2024
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order.	6/17/2024