

U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

**Well Name:** SAN JUAN 28-7 UNIT

**Well Location:** T28N / R7W / SEC 19 /  
SWNW / 36.649072 / -107.621131

**County or Parish/State:** RIO  
ARRIBA / NM

**Well Number:** 199M

**Type of Well:** CONVENTIONAL GAS  
WELL

**Allottee or Tribe Name:**

**Lease Number:** NMSF078500A

**Unit or CA Name:** SAN JUAN 28-7  
UNIT--DK, SAN JUAN 28-7 UNIT--MV

**Unit or CA Number:**  
NMNM78413A, NMNM78413C

**US Well Number:** 3003926718

**Operator:** HILCORP ENERGY  
COMPANY

### Notice of Intent

**Sundry ID:** 2866546

**Type of Submission:** Notice of Intent

**Type of Action:** Commingling (Subsurface)

**Date Sundry Submitted:** 08/01/2025

**Time Sundry Submitted:** 12:30

**Date proposed operation will begin:** 07/27/2025

**Procedure Description:** Please find the attached preliminary subtraction allocation.

### NOI Attachments

#### Procedure Description

SAN\_JUAN\_28\_7\_UNIT\_199M\_ALLOCATION\_20250801123016.pdf

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UNIT--DK, SAN JUAN 28-7 UNIT--MVUnit or CA Number:  
NMNM78413A, NMNM78413C

US Well Number: 3003926718

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: DAWN NASH-DEAL

Signed on: AUG 01, 2025 12:30 PM

Name: HILCORP ENERGY COMPANY

Title: Operations Regulatory Tech

Street Address: 1111 TRAVIS ST

City: HOUSTON

State: TX

Phone: (505) 324-5132

Email address: DNASH@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: 08/14/2025

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: 7/31/2025  API No. 30-039-26718 DHC No. 5006 Lease No. NMSF078500A	
Well Name SAN JUAN 28-7 UNIT						Well No. 113M	
Unit Letter <b>E</b>	Section <b>19</b>	Township <b>28N</b>	Range <b>07W</b>	Footage <b>1755' FNL &amp; 660' FWL</b>		County, State <b>RIO ARRIBA, New Mexico</b>	
Completion Date <b>7/27/2025</b>		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 Mesaverde and Dakota and the added formation to be commingled is the Fruitland Coal and Chacra. 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<sup>th</sup> 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. <b>FRC 0%, CH 44%, MV 47%, DK 9% (No Change to Allocation from Approved DHC Application)</b></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		DATE		TITLE		PHONE	
DAWN NASH-DEAL		7/31/2025				346.237.2143	
X <i>Dawnnash Deal</i>				Operations/Regulatory Tech			
For Technical Questions: MARCUS HILL				Reservoir Engineer		Marcus.Hill@hilcorp.com	

## San Juan 28-7 Unit 199M Subtraction Allocation

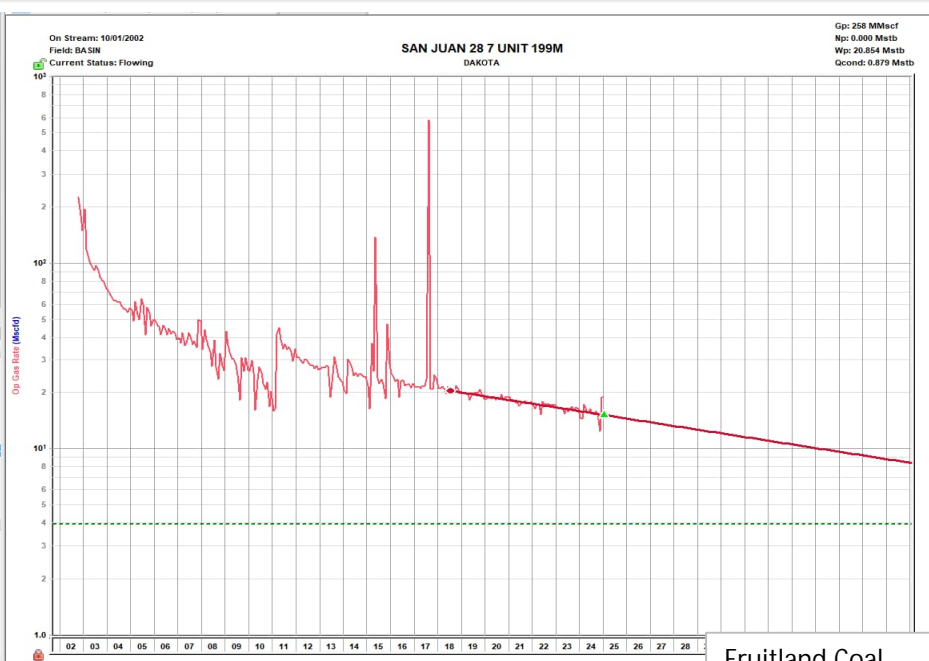
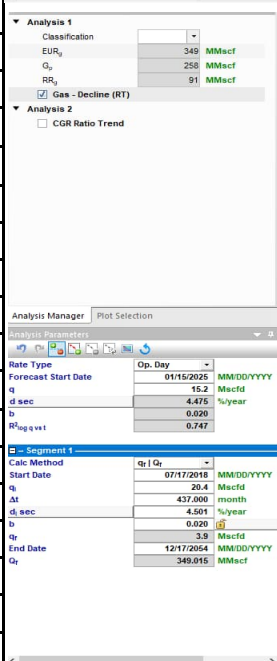
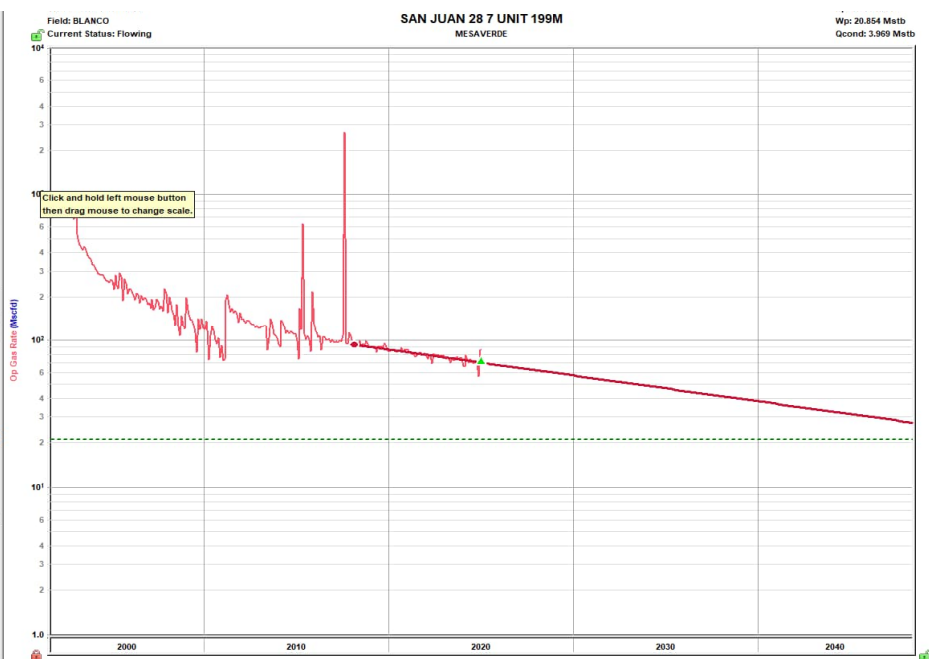
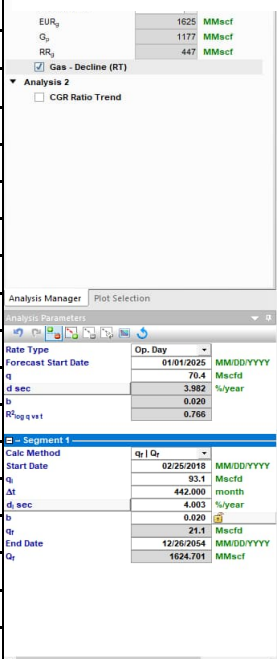
	DK	MV
Date	Mcfd	Mcfd
Jul-25	14.82	68.9044
Aug-25	14.76	68.6672
Sep-25	14.7	68.4346
Oct-25	14.65	68.2029
Nov-25	14.59	67.9719
Dec-25	14.54	67.7418
Jan-26	14.48	67.5086
Feb-26	14.43	67.2875
Mar-26	14.37	67.0672
Apr-26	14.32	66.8402
May-26	14.26	66.6139
Jun-26	14.21	66.3885
Jul-26	14.15	66.1638
Aug-26	14.1	65.9362
Sep-26	14.05	65.713
Oct-26	13.99	65.4907
Nov-26	13.94	65.2691
Dec-26	13.89	65.0483
Jan-27	13.83	64.8246
Feb-27	13.78	64.6125
Mar-27	13.73	64.401
Apr-27	13.68	64.1832
May-27	13.63	63.9661
Jun-27	13.57	63.7498
Jul-27	13.52	63.5342
Aug-27	13.47	63.3158
Sep-27	13.42	63.1017
Oct-27	13.37	62.8884
Nov-27	13.32	62.6758
Dec-27	13.27	62.4639
Jan-28	13.21	62.2493
Feb-28	13.17	62.0423
Mar-28	13.12	61.836
Apr-28	13.07	61.627
May-28	13.02	61.4187
Jun-28	12.97	61.2112
Jul-28	12.92	61.0043
Aug-28	12.87	60.7948
Sep-28	12.82	60.5894
Oct-28	12.77	60.3847
Nov-28	12.72	60.1807
Dec-28	12.67	59.9775
Jan-29	12.62	59.7715
Feb-29	12.58	59.5763
Mar-29	12.53	59.3816
Apr-29	12.48	59.1811
May-29	12.44	58.9813
Jun-29	12.39	58.7821

## Gas Allocation:

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

Formation	Forecasted Reserves (MMcft)	% Gas Allocation
FRC	768	60%
CH	519	40%

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



Fruitland Coal

▼ Copy of Analysis 1

Classification		
EUR <sub>g</sub>	768	MMscf
G <sub>p</sub>	0	MMscf
RR <sub>g</sub>	768	MMscf

☒ Gas - Decline (RT)

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Analysis Manager Plot Selection

Analysis Parameters

Rate Type Op. Day

Forecast Start Date 03/01/2025 MM/DD/YYYY

q 241.3 Mscfd

d<sub>sec</sub> 30.769 %/year

b 2.000

R<sup>2</sup><sub>log q vs t</sub>

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Segment 1

Calc Method d<sub>lim</sub> - q<sub>r</sub> | Q<sub>r</sub>

Start Date 03/01/2025 MM/DD/YYYY

q<sub>i</sub> 241.3 Mscfd

Δt 360.000 month

d<sub>sec</sub> 30.769 %/year

b 2.000

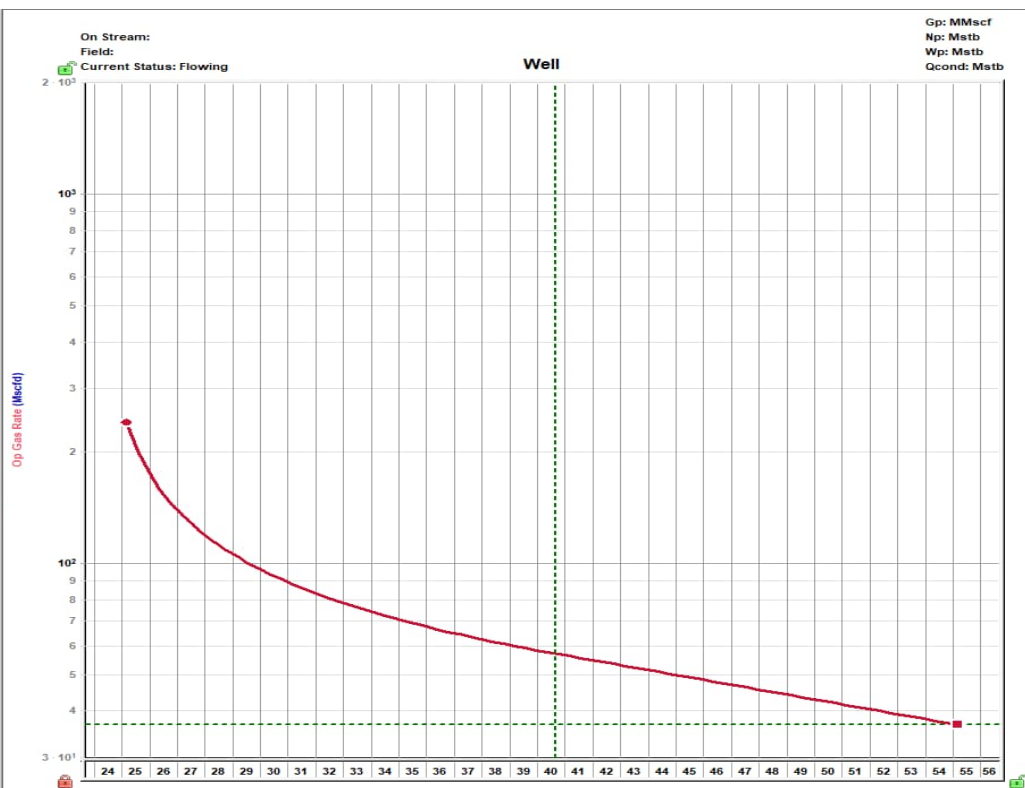
d<sub>lim</sub> exp 3.000 %/year

d<sub>lim</sub> Date 08/28/2040 MM/DD/YYYY

q<sub>r</sub> 36.7 Mscfd

End Date 03/01/2055 MM/DD/YYYY

Q<sub>r</sub> 767.854 MMscf



▼ Copy of Analysis 1

Classification		
EUR <sub>g</sub>	519	MMscf
G <sub>p</sub>	0	MMscf
RR <sub>g</sub>	519	MMscf

☒ Gas - Decline (RT)

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Analysis Manager Plot Selection

Analysis Parameters

Rate Type Op. Day

Forecast Start Date 03/01/2025 MM/DD/YYYY

q 338.1 Mscfd

d<sub>sec</sub> 66.489 %/year

b 2.500

R<sup>2</sup><sub>log q vs t</sub>

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Segment 1

Calc Method d<sub>lim</sub> - q<sub>r</sub> | Q<sub>r</sub>

Start Date 03/01/2025 MM/DD/YYYY

q<sub>i</sub> 338.1 Mscfd

Δt 360.000 month

d<sub>sec</sub> 66.489 %/year

b 2.500

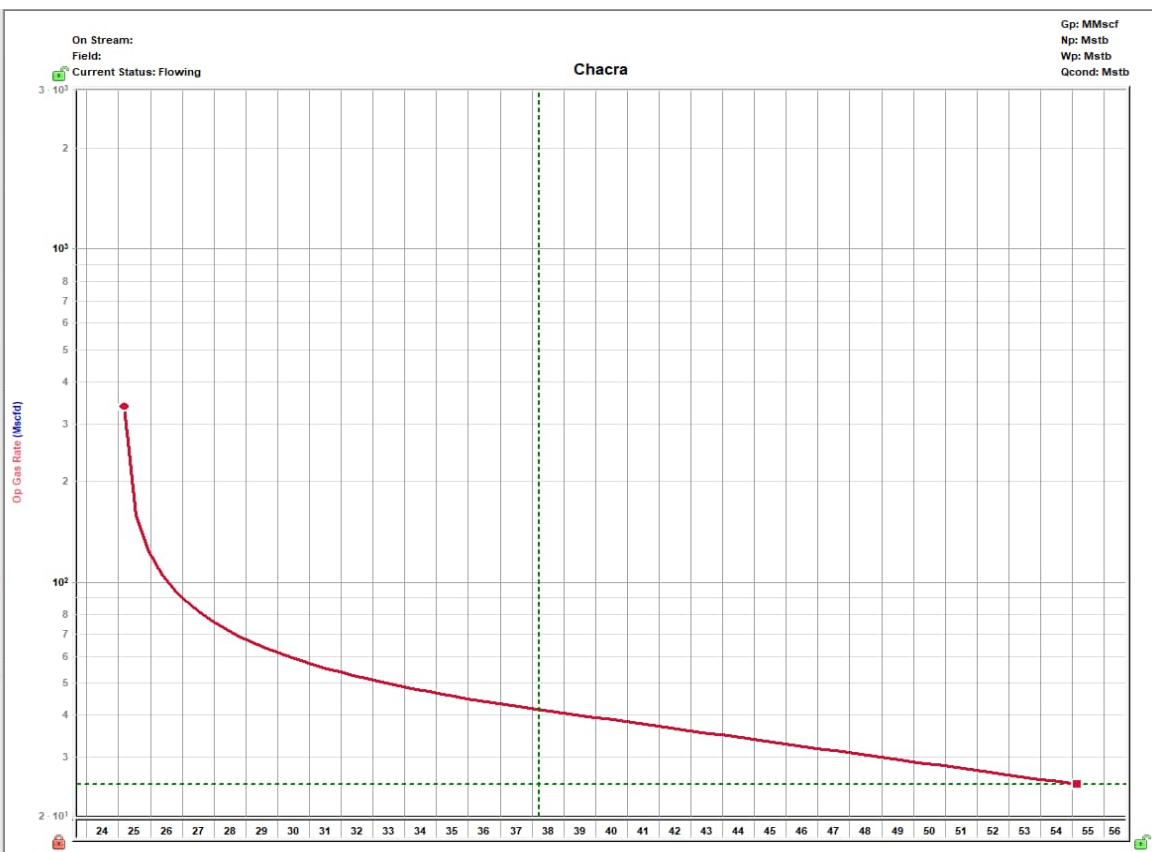
d<sub>lim</sub> exp 3.000 %/year

d<sub>lim</sub> Date 03/24/2038 MM/DD/YYYY

q<sub>r</sub> 24.8 Mscfd

End Date 03/01/2055 MM/DD/YYYY

Q<sub>r</sub> 518.641 MMscf

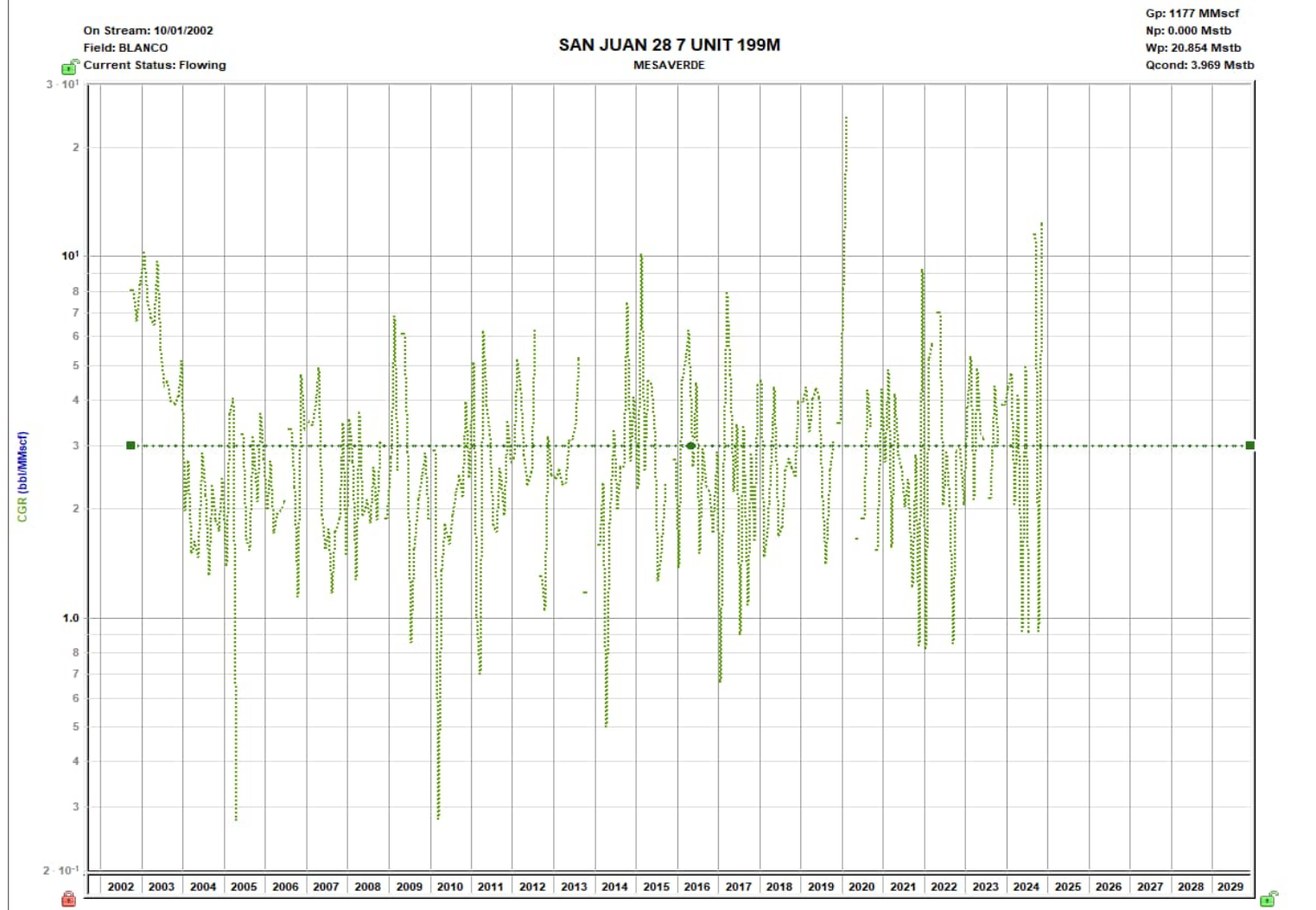


Oil Allocation:

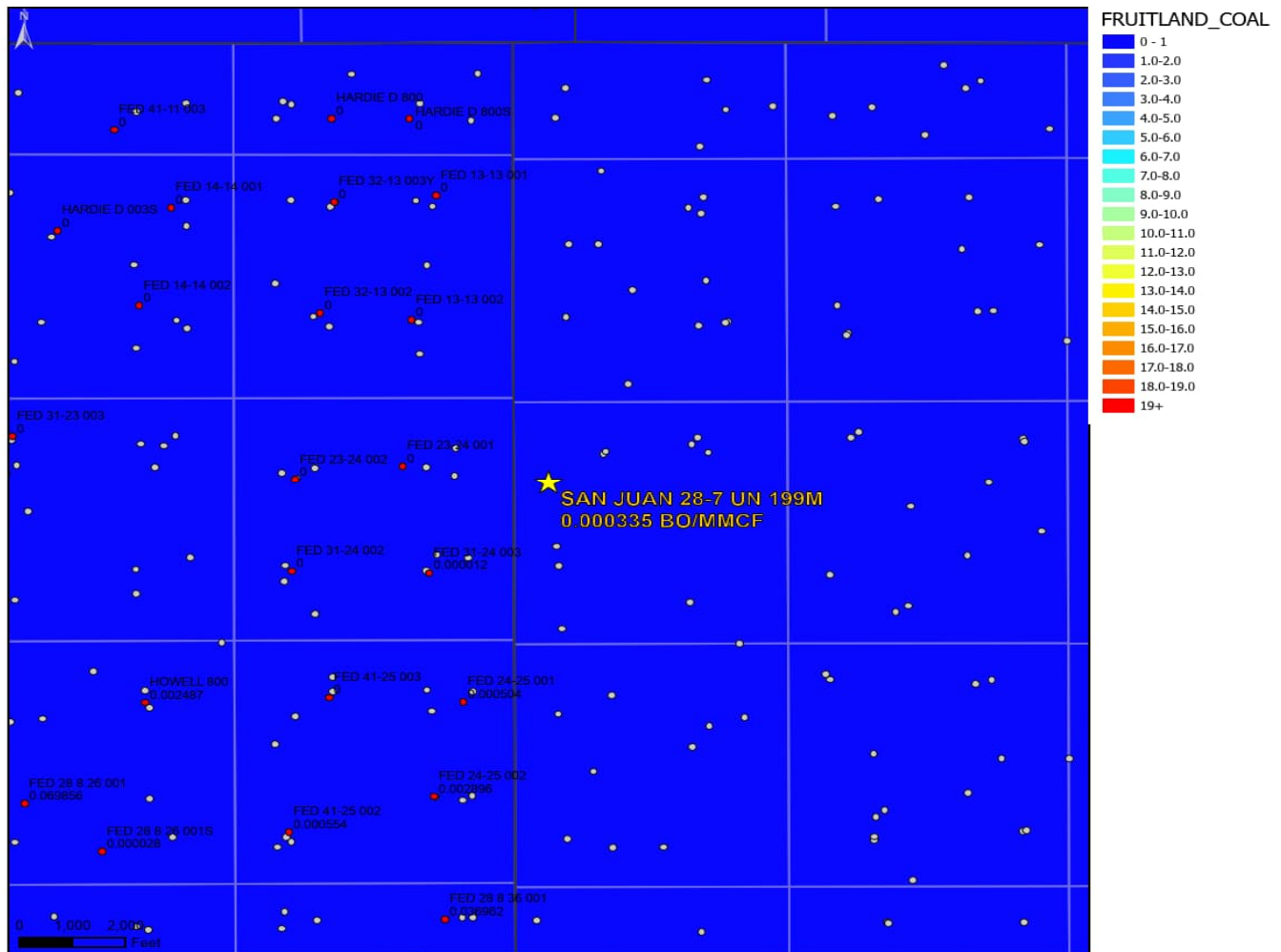
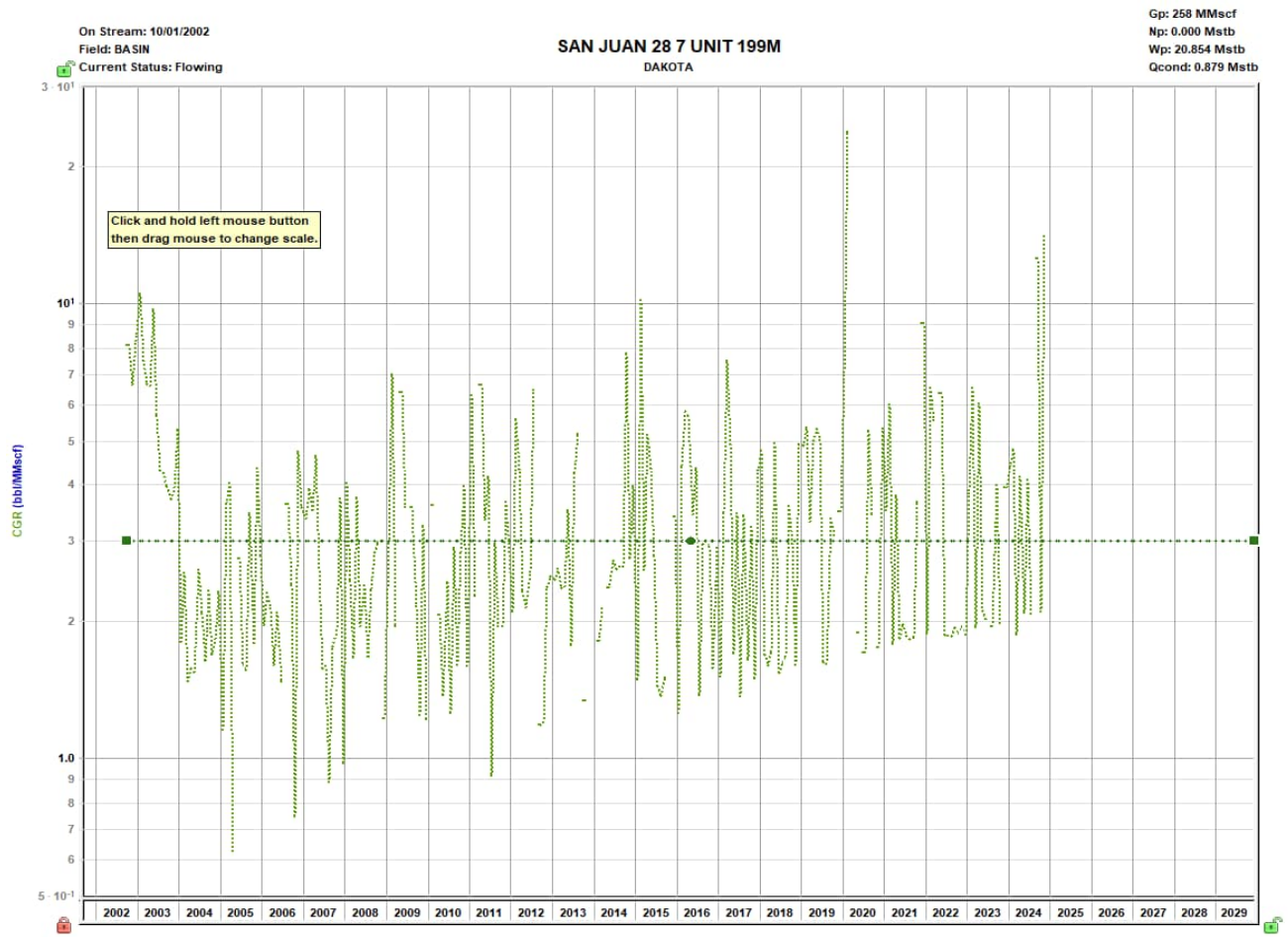
Oil production will be allocated based on average formation yields from offset wells and will be a fixed rate for 4 years.

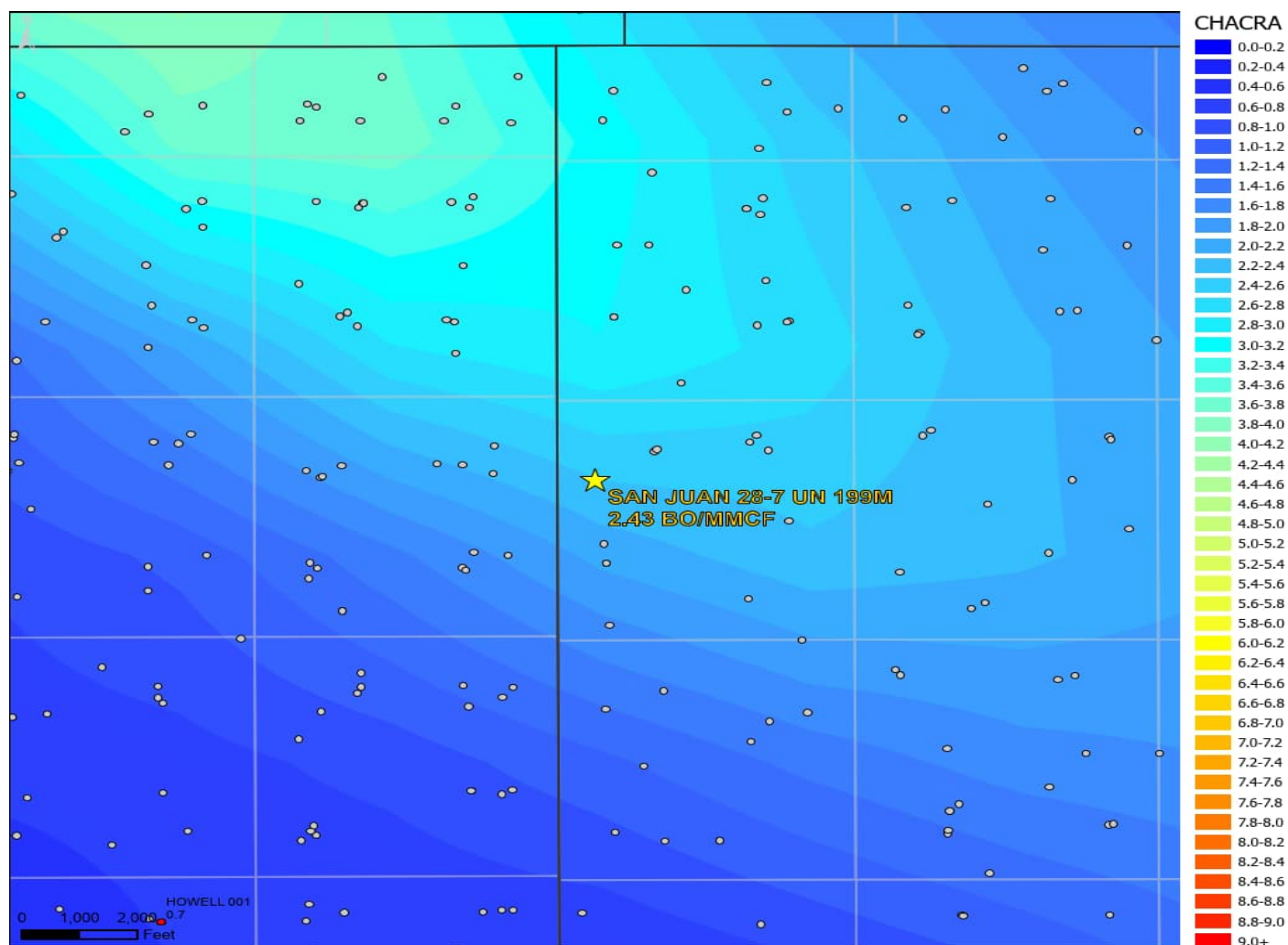
After 4 years oil will be reevaluated and adjusted as needed based on average formation yields and new fixed gas allocation.

Formation	Yield (bbl/MM)	Remaining or Forecasted Reserves (MMcf)	% Oil Allocation
DK	3.00	91	9%
MV	3.00	447	47%
FRC	0.00	768	0%
CH	2.43	519	44%











Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

CONDITIONS

Action 495941

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 495941
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	8/15/2025
dmcclure	The production from the well shall be allocated to each pool as stipulated within the DHC Order	8/15/2025