

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
SAN JUAN 28-7	155	300392043000C1	NMSF078640	NMNM78413C	HILCORP
SAN JUAN 28-7	155	300392043000C3	NMSF078640	NMNM78413A	HILCORP
SAN JUAN 28-7	155	300392043000C2	NMSF078640	NMNM78413B	HILCORP

Notice of Intent

Type of Submission: Notice of Intent

Type of Action Commingling (Subsurface)

Date Sundry Submitted: 02/03/2021

Time Sundry Submitted: 01:04

Date proposed operation will begin: 03/25/2018

Procedure Description: Original EC# 536697 rejected in WIS on 11/6/2020. The subject well was recompleted to the Blanco Mesaverde formation and downhole commingled with existing Basin Dakota and Blanco-South Pictured Cliffs in 2018. The preliminary subtraction allocation previously filed was recently discovered to have been incorrect. The attached, revised allocation should be used instead.

NOI Attachments

Procedure Description

SJ_28_7_Unit_155_Prelim_Subtraction_Allocation_REVISED_20210203123219.pdf

Operator Certification

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 submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: CHERYLENE WESTON

Signed on: FEB 03, 2021 12:32 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

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: 9708783846

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 09/02/2021

Signature: Kenneth Rennick

Area: «TEAM»

<h1 style="text-align: center;">Hilcorp Energy Company</h1> <h2 style="text-align: center;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006	
					Status PRELIMINARY <input type="checkbox"/> FINAL <input type="checkbox"/> REVISED <input checked="" 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: 11/06/2020 API No. 30-039-20430 DHC No. DHC-2513-A Lease No. NMSF-078640	
Well Name San Juan 28-7 Unit					Well No. 155	
Unit Letter K	Section 22	Township T27N	Range R07W	Footage 1650' FSL & 1650' FWL	County, State Rio Arriba, New Mexico	
Completion Date 3/25/2018		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. The base formations are the Basin Dakota/Blanco-South Pictured Cliffs and the added formation to be commingled is the Mesaverde. 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). A fixed percentage based allocation will be submitted after the fourth year of production. See attached documents for production forecast.</p> <p>Oil production will be allocated based on average formation yields from offset wells. MV-90%, DK-9.5%, PC-0.5%</p>						
APPROVED BY		DATE		TITLE		PHONE
X <i>Cherylene Weston</i>		11/06/2020		Operations/Regulatory Tech		505-564-0779
Cherylene Weston						

San Juan 28-7 Unit 155 Subtraction Allocation

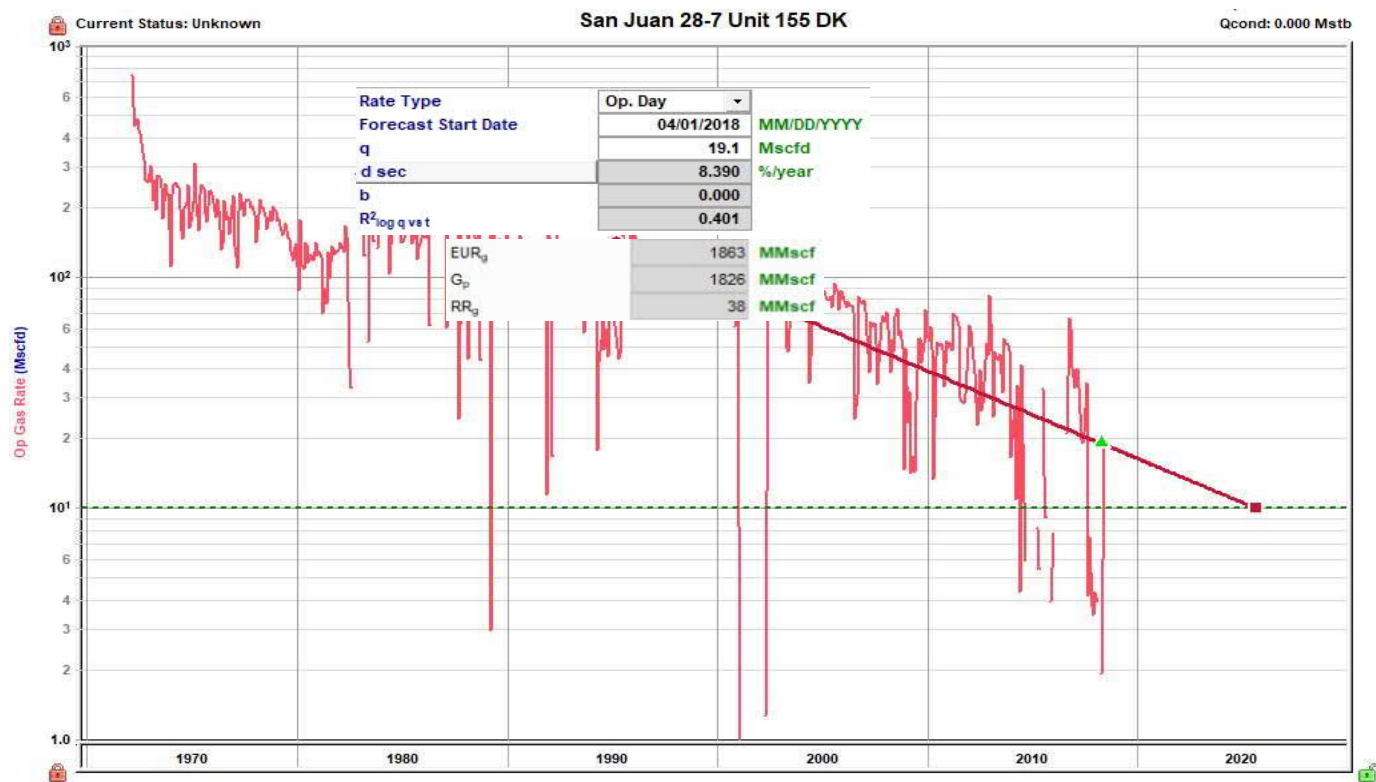
DK PC

Date	Mcf/d	Mcf/d
4/2018	19.3	23.3
5/2018	19.01	23.2
6/2018	18.87	23.1
7/2018	18.73	23
8/2018	18.59	22.9
9/2018	18.46	22.8
10/2018	18.32	22.7
11/2018	18.19	22.6
12/2018	18.06	22.5
1/2019	17.92	22.4
2/2019	17.8	22.4
3/2019	17.67	22.3
4/2019	17.54	22.2
5/2019	17.41	22.1
6/2019	17.29	22
7/2019	17.16	21.9
8/2019	17.03	21.8
9/2019	16.91	21.7
10/2019	16.79	21.7
11/2019	16.66	21.6
12/2019	16.54	21.5
1/2020	16.42	21.4
2/2020	16.3	21.3
3/2020	16.19	21.2
4/2020	16.07	21.1
5/2020	15.95	21.1
6/2020	15.83	21
7/2020	15.72	20.9
8/2020	15.6	20.8
9/2020	15.49	20.7
10/2020	15.38	20.6
11/2020	15.26	20.6
12/2020	15.15	20.5
1/2021	15.04	20.4
2/2021	14.93	20.3
3/2021	14.83	20.2
4/2021	14.72	20.2
5/2021	14.61	20.1
6/2021	14.51	20
7/2021	14.4	19.9
8/2021	14.29	19.8
9/2021	14.19	19.8
10/2021	14.09	19.7
11/2021	13.98	19.6
12/2021	13.88	19.5
1/2022	13.78	19.4
2/2022	13.68	19.4
3/2022	13.59	19.3

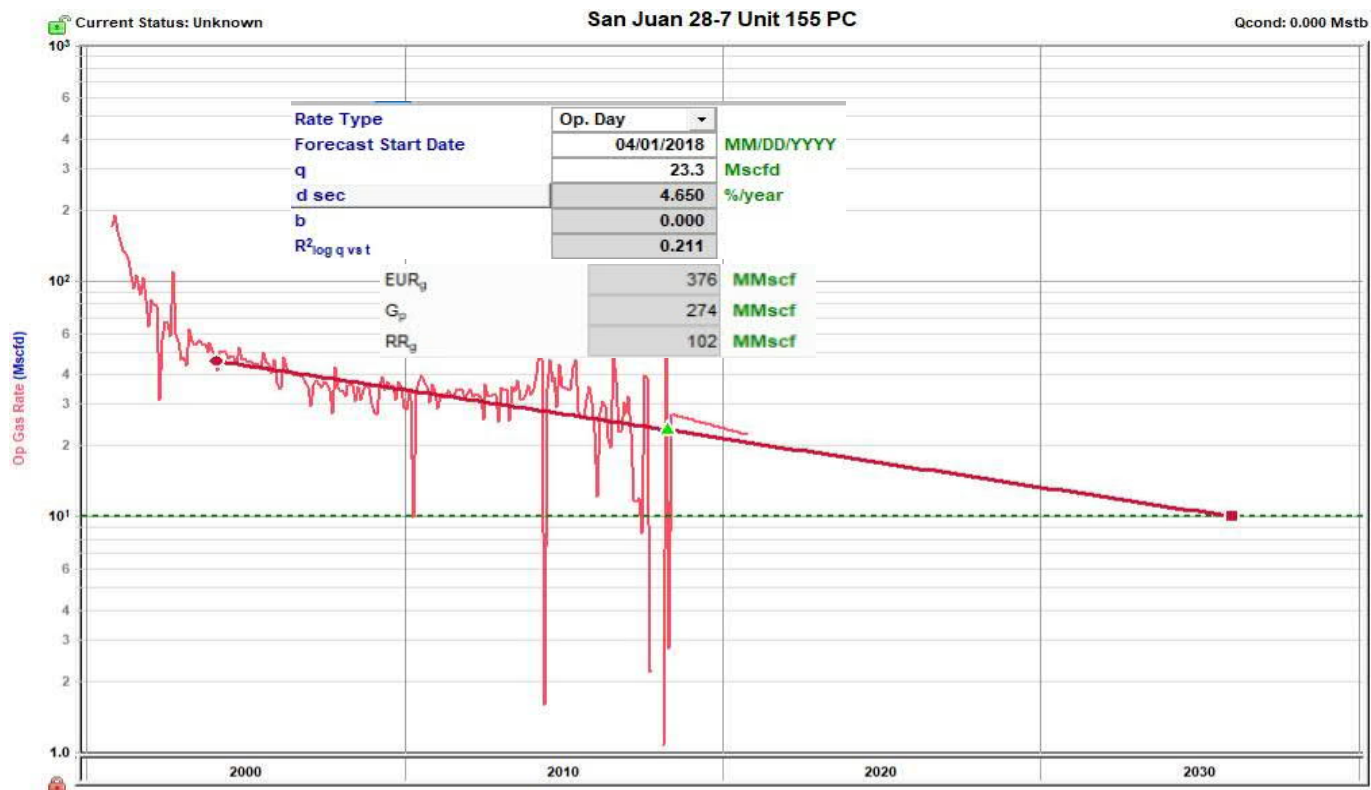
Base formation is the Basin Dakota and Pictured Cliffs. The added formation to be commingled is the Mesaverde. The subtraction method applies an average monthly production forecast to the base formation using historic production. All production from this well exceeding the forecast will be allocated to the new formation.

Formation	Yield (bbl/MM)	Remaining Reserves (MMcf)	% Allocation
DK	7.512	38	9.5%
PC	0.162	102	0.5%
MV	5.44	499	90%

San Juan 28-7 Unit 155 DK Forecast



San Juan 28-7 Unit 155 PC Forecast



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 47562

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 47562
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmccclure	Past incorrect allocated production to each pool will need to be corrected by submitting form C-115s with the correct volumes.	11/16/2021