

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 checked="" 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: 5/23/2022 API No. 30-045-24057 DHC No. DHC371AZ Lease No. SF078266	
Well Name San Jacinto					Well No. 6E	
Unit Letter A	Section 20	Township T029N	Range R010W	Footage 1090' FNL & 640' FEL	County, State San Juan County, New Mexico	
Completion Date 2/23/2018		Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>				
FORMATION MESAVERDE		GAS 208 MCFD		PERCENT 94%	CONDENSATE	PERCENT 95%
DAKOTA		13 MCFD		6%		5%
JUSTIFICATION OF ALLOCATION: **REVISED Oil allocation due to miscalculation. Effective Date 2/1/2022. No change to gas allocation.** Hilcorp Energy Company requests that production for the down hole commingle to be switched to a fixed percentage-based allocation. The fixed percentage-based allocation is calculated from average production rates from twelve months. Oil allocated based on average formation yields in surrounding area and new fixed allocations.						
APPROVED BY Amanda Walker		DATE 5/23/2022		TITLE Operations/Regulatory Tech Sr.		PHONE 346-237-2177
X <i>A Walker</i>						
For Technical Questions:		Justin Nall		Reservoir Engineer – Sr.		346-237.2231

Dean R McIlure

06/02/2022

Well Name: SAN JACINTO	Well Location: T29N / R10W / SEC 20 / NENE / 36.715836 / -107.900696	County or Parish/State: SAN JUAN / NM
Well Number: 6E	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078266	Unit or CA Name: BLANCO MESAVERDE, SAN JACINTO-DK	Unit or CA Number: NMNM123495, NMNM73864
US Well Number: 3004524057	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2672903

Type of Submission: Notice of Intent

Date Sundry Submitted: 05/23/2022

Date proposed operation will begin: 02/01/2022

Type of Action: Commingling (Subsurface)

Time Sundry Submitted: 09:21

Procedure Description: Please see the attached REVISED request to change the Production Allocation effective 2/1/2022.

NOI Attachments

Procedure Description

San_Jacinto_6E_REVISED_Preliminary_Changed_to_Fixed_Allocation_20220523092113.pdf

Well Name: SAN JACINTO	Well Location: T29N / R10W / SEC 20 / NENE / 36.715836 / -107.900696	County or Parish/State: SAN JUAN / NM
Well Number: 6E	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078266	Unit or CA Name: BLANCO MESAVERDE, SAN JACINTO-DK	Unit or CA Number: NMNM123495, NMNM73864
US Well Number: 3004524057	Well Status: Producing Gas Well	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: AMANDA WALKER
Signed on: MAY 23, 2022 09:21 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: KENNETH G RENNICK
BLM POC Title: Petroleum Engineer
BLM POC Phone: 5055647742
BLM POC Email Address: krennick@blm.gov
Disposition: Approved
Disposition Date: 05/25/2022
Signature: Kenneth Rennick

San Jacinto 6E Fixed Allocation

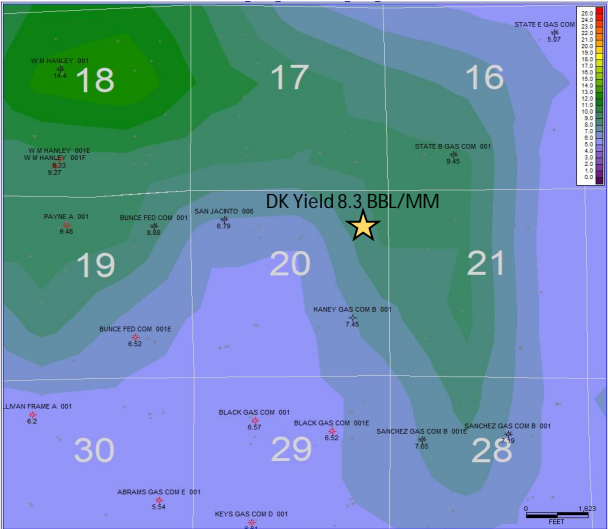
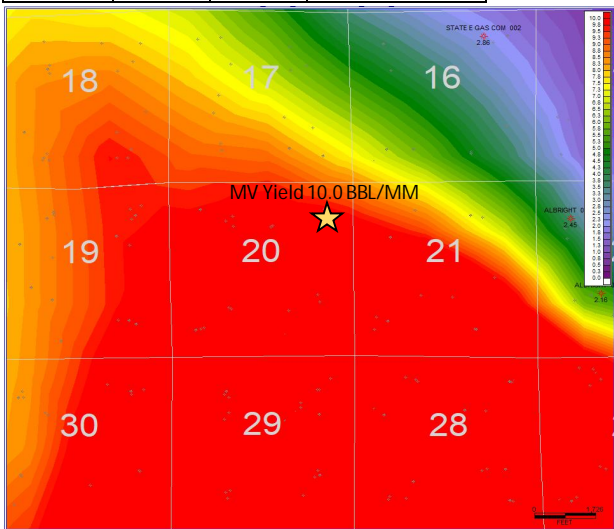
The Mesaverde and the Gallup formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage based allocation.

The new fixed percentage based allocation will be calculated from average production rates from the past twelve months.

Date	Gas Production		
	Dakota	Mesaverde	Total
Oct-20	12.9	236.4	249.3
Nov-20	12.8	214.1	226.9
Dec-20	12.8	178.5	191.3
Jan-21	12.7	171.5	184.2
Feb-21	12.6	220.5	233.1
Mar-21	12.6	220.1	232.7
Apr-21	12.5	214.6	227.1
May-21	12.4	222.0	234.4
Jun-21	12.4	216.7	229.1
Jul-21	12.3	197.2	209.5
Aug-21	12.3	203.6	215.9
Sep-21	12.2	205.2	217.4
Averages	13	208	221
% of Total	6%	94%	

Oil will be reallocated based on the average formation yields in surrounding area and new fixed allocations.

Formation	Yield	Oil Allocation
Dakota	8.29 bbl/mmscf	5%
Mesaverde	10.03 bbl/mmscf	95%



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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 110822

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 110822
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	6/2/2022