

Area: «TEAM»

<h1 style="margin: 0;">Hilcorp Energy Company</h1> <h2 style="margin: 0;">PRODUCTION ALLOCATION FORM</h2>					Distribution: BLM 4 Copies Regulatory Accounting Well File Revised: March 9, 2006		
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"/>					Status PRELIMINARY <input type="checkbox"/> FINAL <input checked="" type="checkbox"/> REVISED <input type="checkbox"/>		
					Date: 11/29/22 API No. 30-045-11820 DHC No. DHC 4067AZ Lease No. NMSF079232		
Well Name Bolack B					Well No. 4		
Unit Letter O	Section 30	Township T027N	Range R008W	Footage 825' FSL & 1770' FEL	County, State San Juan County, New Mexico		
Completion Date		Test Method HISTORICAL <input checked="" type="checkbox"/> FIELD TEST <input type="checkbox"/> PROJECTED <input type="checkbox"/> OTHER <input type="checkbox"/>					
FORMATION		GAS		PERCENT		CONDENSATE	
DAKOTA		538 MCF		34%		36%	
MESAVERDE		1044 MCF		66%		64%	
JUSTIFICATION OF 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. Oil allocated based on average formation yields in surrounding area and new fixed allocations.							
APPROVED BY <i>Kandis Roland</i>			DATE 11/29/2022		TITLE Operations/Regulatory Tech		PHONE 713-757-5246
X Kandis Roland							
For Technical Questions: Mohammad Shahvali			Reservoir Engineer		713-757-5271		

Dean R McClure

11/30/2022

Well Name: BOLACK B	Well Location: T27N / R8W / SEC 30 / SWSE / 36.540375 / -107.719284	County or Parish/State: SAN JUAN / NM
Well Number: 4	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF079232	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004511820	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2704697

Type of Submission: Notice of Intent	Type of Action: Commingling (Subsurface)
Date Sundry Submitted: 11/29/2022	Time Sundry Submitted: 05:33
Date proposed operation will begin: 12/01/2022	

Procedure Description: See attached production allocation.

NOI Attachments

Procedure Description

Bolack_B_4_Fixed_Production_Allocation_20221129053319.pdf

Well Name: BOLACK B	Well Location: T27N / R8W / SEC 30 / SWSE / 36.540375 / -107.719284	County or Parish/State: SAN JUAN / NM
Well Number: 4	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF079232	Unit or CA Name:	Unit or CA Number:
US Well Number: 3004511820	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: KANDIS ROLAND

Signed on: NOV 29, 2022 05:33 AM

Name: HILCORP ENERGY COMPANY

Title: Operation Regulatory Tech

Street Address: 382 Road 3100

City: Farmington

State: NM

Phone: (505) 599-3400

Email address: kroland@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: 11/29/2022

Signature: Kenneth Rennick

Bolack B 4 Fixed Allocation

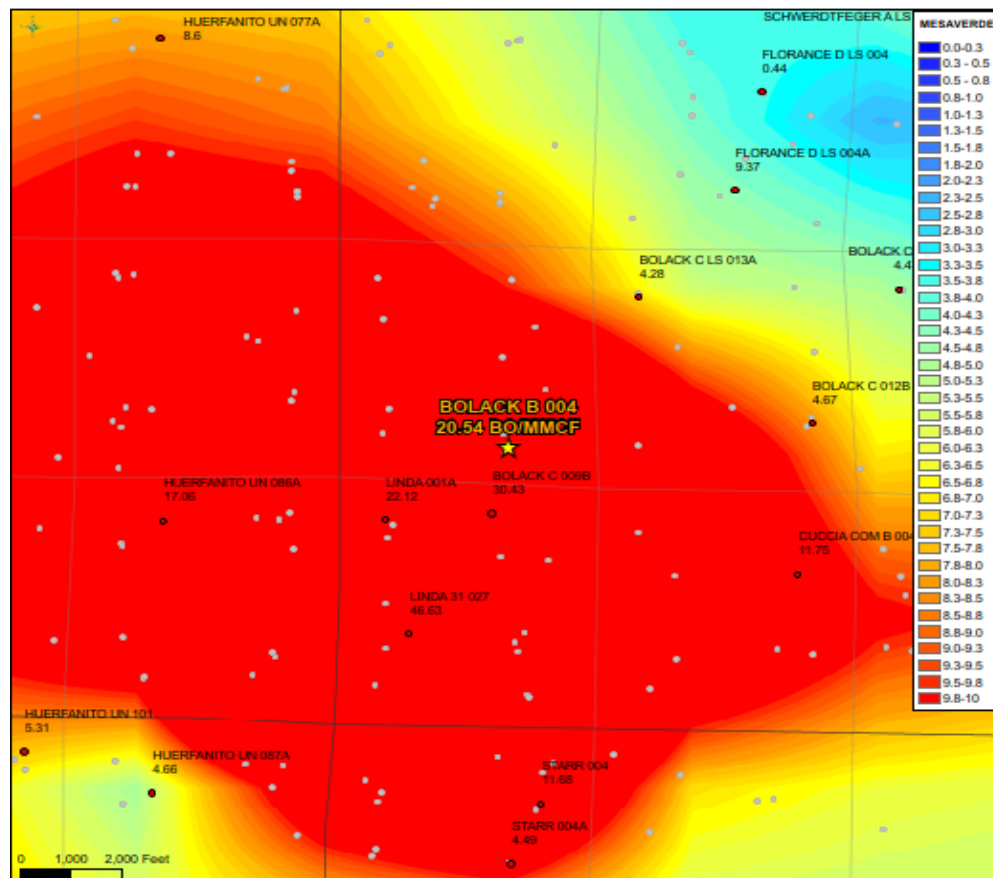
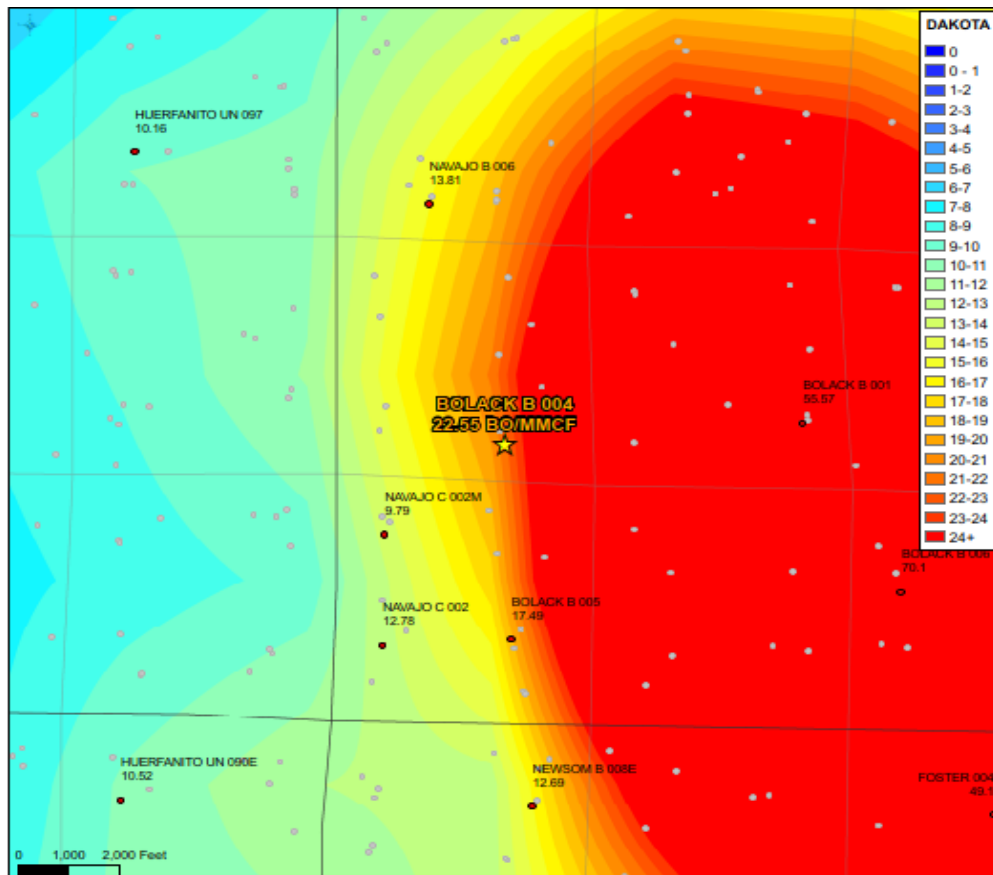
The Dakota and the Mesaverde formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage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

The new fixed percentage based allocation will be calculated from average production rates from the past 6 months. Typically, we use the past 12 months of production, but in the case of this well, production was down prior to April 22, which is why we are using only 6 months of production.

Date	Gas Production (Mcf)		
	Dakota	Mesaverde	Total
Apr-22	523	1,191	1,714
May-22	558	2,085	2,643
Jun-22	521	1,884	2,405
Jul-22	555	621	1,176
Aug-22	554	335	889
Sep-22	518	150	668
Averages	538	1,044	1,583
% of Total	34%	66%	

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

Formation	Yield		Avg Gas (mcf)	Oil Allocation
Dakota	22.55	bbl/mmscf	538	36%
Mesaverde	20.54	bbl/mmscf	1,044	64%



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 161984

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 161984
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	11/30/2022