

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 checked="" type="checkbox"/>			
					Date: 5/23/2022 API No. 30-045-24938 DHC No. DHC4003AZ Lease No. NMSF078502A			
Well Name Hardie					Well No. 4E			
Unit Letter E	Section 24	Township T029N	Range R008W	Footage 1800' FNL & 790' FWL	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		23 MCFD		21%		5%		
MESAVERDE		86 MCFD		79%		95%		
JUSTIFICATION OF ALLOCATION: **REVISED Oil allocation due to miscalculation. Effective Date 3/1/2022. 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			DATE		TITLE		PHONE	
<i>Kandis Roland</i>								
X Kandis Roland			5/23/22		Operations/Regulatory Tech		713-757-5246	
For Technical Questions:			Justin Nall		Reservoir Engineer – Sr.		346-237.2231	

Dean R McClure

06/27/2023

Well Name: HARDIE	Well Location: T29N / R8W / SEC 24 / SWNW / 36.713257 / -107.633606	County or Parish/State: SAN JUAN / NM
Well Number: 4E	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078502A	Unit or CA Name: HARDIE	Unit or CA Number: NMNM73212, NMNM73990
US Well Number: 3004524938	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2673004

Type of Submission: Notice of Intent

Date Sundry Submitted: 05/23/2022

Date proposed operation will begin: 03/01/2022

Type of Action: Commingling (Subsurface)

Time Sundry Submitted: 01:42

Procedure Description: See attached revised production allocation.

NOI Attachments

Procedure Description

Hardie_4E_Revised_Preliminary_Changed_to_Fixed_Allocation_20220523134104.pdf

Received by OCD: 5/26/2022 11:26:30 AM

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Well Name: HARDIE	Well Location: T29N / R8W / SEC 24 / SWNW / 36.713257 / -107.633606	County or Parish/State: SAN JUAN / NM
Well Number: 4E	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078502A	Unit or CA Name: HARDIE	Unit or CA Number: NMNM73212, NMNM73990
US Well Number: 3004524938	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: MAY 23, 2022 01:41 PM
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: 05/25/2022
Signature: Kenneth Rennick	

Hardie 4E Fixed Allocation

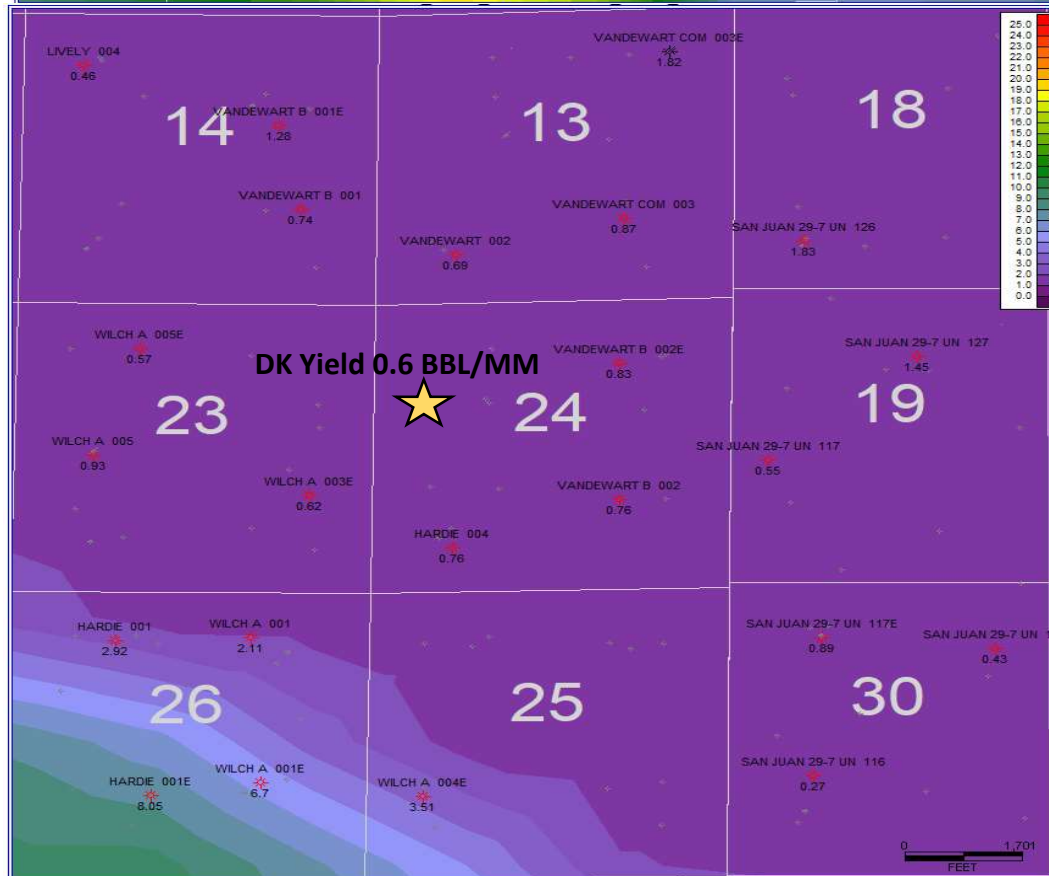
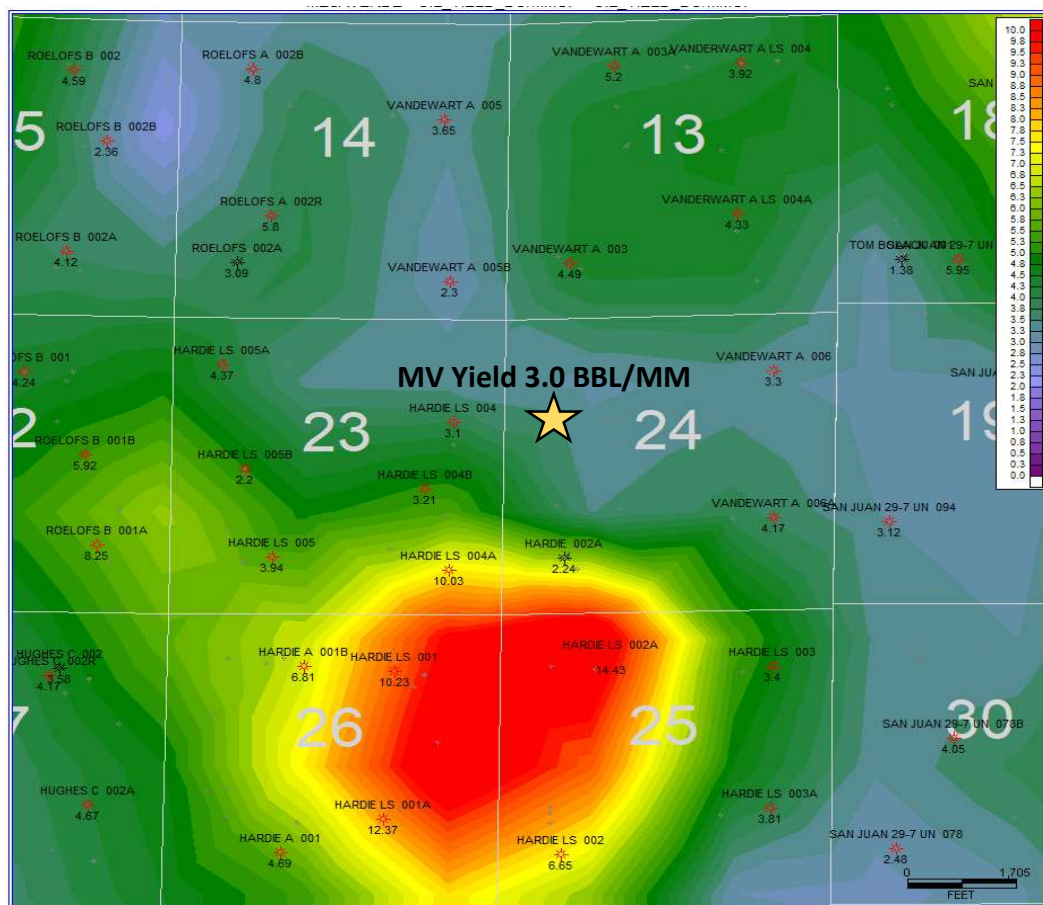
The Mesaverde and the Dakota formations have been producing as a commingled well for the past four years under a subtraction allocation method that was applied after the well was recompleted into a new zone. Hilcorp requests that production for the downhole commingled well be switched to a fixed percentage 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	23.4	91.8	115.2
Nov-20	23.3	108.3	131.6
Dec-20	23.3	85.4	108.7
Jan-21	23.2	86.2	109.4
Feb-21	23.1	87.0	110.1
Mar-21	23.0	79.6	102.6
Apr-21	22.9	78.7	101.6
May-21	22.8	87.6	110.4
Jun-21	22.7	90.5	113.2
Jul-21	22.6	79.0	101.6
Aug-21	22.5	75.5	98.0
Sep-21	22.4	79.7	102.1
Averages	23	86	109
% of Total	21%	79%	

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

Formation	Yield		Updated Oil Allocation
Dakota	0.56	bbl/mmscf	5%
Mesaverde	3	bbl/mmscf	95%



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 111102

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 111102
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	6/27/2023