

<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: 9/5/2023 API No. 30-045-24898 DHC No. 5045 Lease No. NMSF078118	
Well Name Hubbard Com					Well No. 2	
Unit Letter N	Section 30	Township 32N	Range 11W	Footage 1115' FSL & 1530' FWL	County, State San Juan, New Mexico	
Completion Date 8/31/2023		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 will be allocated using the subtraction method in agreement with local agencies. The base formation is the Dakota and the added formation (s) 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(s). After 3 years production will stabilize. A production average will be gathered during the 4th 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. MV 100%, DK 0% (No change to Allocation from Approved DHC Application)</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
Amanda Walker		9/21/2023				
X <i>A Walker</i>				Operations/Regulatory Tech – Sr.		346.237.2177
For Technical Questions: Shane Smith				Reservoir Engineer		shane.smith@hilcorp.com

Dean R McClure

09/29/2023

Well Name: HUBBARD COM	Well Location: T32N / R11W / SEC 30 / SESW / 36.988342 / -108.086624	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078118	Unit or CA Name: HUBBARD COM	Unit or CA Number: NMNM76175
US Well Number: 3004524898	Well Status: Producing Gas Well	Operator: HILCORP ENERGY COMPANY

Notice of Intent

Sundry ID: 2753563

Type of Submission: Notice of Intent

Date Sundry Submitted: 09/27/2023

Date proposed operation will begin: 08/01/2023

Type of Action: Commingling (Subsurface)

Time Sundry Submitted: 08:50

Procedure Description: Attached please the Preliminary Subtraction Allocation for the recently recompleted well.

NOI Attachments

Procedure Description

Hubbard_Com_2_Preliminary_Subtraction_Allocation_Form_20230927084955.pdf

Received by OCD: 9/28/2023 12:55:03 PM

Page 3 of 5

Well Name: HUBBARD COM	Well Location: T32N / R11W / SEC 30 / SESW / 36.988342 / -108.086624	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: NMSF078118	Unit or CA Name: HUBBARD COM	Unit or CA Number: NMNM76175
US Well Number: 3004524898	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: SEP 27, 2023 08:50 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: MATTHEW H KADE	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5055647736	BLM POC Email Address: MKADE@BLM.GOV
Disposition: Approved	Disposition Date: 09/27/2023
Signature: Matthew Kade	

Gas Allocation:

Production for the downhole commingle will be allocated to allocation method in agreement with local agencies. The base formation is the Dakota and 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.

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

On Stream: 09/01/1982
Field: BASIN
Current Status: Flowing

HUBBARD COM 002
DAKOTA

Gp: 782 MMscf
Np: 0.000 Mstb
Wp: 0.840 Mstb
Gcond: 0.073 Mstb

Oil Gas Rate (Mscf/d)

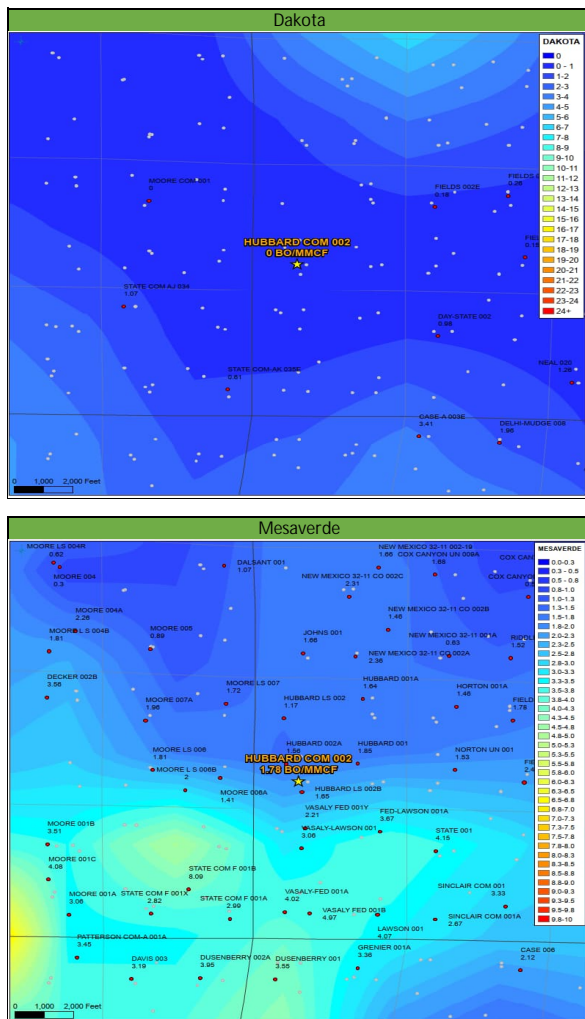
Analysts Class EUR₂ Q₂ RR₂ Start Date q₂ Δt d₂ sec q₂ b d₂ exp q₂ End Date
Name MMscf MMscf MMscf MM/DD/YYYY Mscf/d year %/year %/year Mscf/DD/YYYY
Analysis 1 910 782 128 09/01/2023 35.5 17.44 7.000 0.000 4.000 10.0 11/09/2040

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 Reserves (MMcf)	% Oil Allocation
DK	0	128	0%
MV	1.78	611	100%



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 270185

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 270185
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	None	9/29/2023